THE

LABOUR MONTHLY

A MAGAZINE OF INTERNATIONAL LABOUR

Editor: R. PALME DUTT

Volume 15 June, 1933 Number 6

PRINCIPAL CONTENTS

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R. P. D.

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NOTES OF THE MONTH

World Economic Conference—Crisis Extending—Government Policies—Anglo-American Antagonism—Debts, Currency, Tariffs—Roosevelt—America Off Gold—British Counter-Offensive—MacDonald-Roosevelt Conversations—American Triumph—Scepticism—European Tension—Hitlerism Accepts Versailles—Fascist Bloc Moves—Fight Over Austria—British Foreign Policy—Support of German Fascism—National Government as Hitler's Ally—Four Power Manœuvres—A Menacing Situation.

AT the present moment the statesmen of imperialism, Roosevelt, MacDonald, Hitler or Mussolini, who are strangling the world in economic conflict, who are maintaining violent rule against the subject populations, who are building armaments and preparing war, are all endeavouring to cover their work and deceive the rising alarm throughout the world with new volleys of talk of peace and reconstruction. From the triumphs of the Disarmament Conference the world bourgeoisie moves to the new triumphs of the World Economic Conference. "The happiness and prosperity," declares Roosevelt, whose machine guns are shooting down the farmers of the Middle West, "the very lives of the men, women and children who inhabit the whole world, are bound up in the decisions their Governments will make in the near future." "It is for us," declares MacDonald, whose economy régime is driving millions to lingering death, who is increasing expenditure on every form of armaments at the same time as cutting down expenditure on health, education and social services, "to do our very best to fulfil our intention to change the face of the world, so that where there is jealously there will be confidence, and where there is enmity there will be peace." The bloodstained Hitler joins the angels' choir. "To-day," he declares with a solemn face to his Reichstag of picked gangsters, "there can only be one great task, and that is to assure

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the peace of the world." Such is the angel-like language of the leaders of capitalism. The realities of the present world situation hardly bear out their professions. These realities are more accurately expressed by one of their number, at present out of office, Austen Chamberlain.

> The position in Europe, the state of public opinion, and the actions of Governments are more menacing to-day, and threaten peace more directly than anything which we have known since the close of the Great War (House of Commons, April 13).

WHAT are the plain facts of the present world situation? The crisis, now approaching the completion of its fourth year, is more intense than ever, and is marked by still further falls in production and trade in all the leading countries. The bank crash in the United States in the spring, and the departure of the dollar from gold, indicate the further development of instability. Despite all the measures of destruction and restriction of production, stocks remain higher than ever; the combined index of world stocks of primary products, issued by the United States Department of Commerce, based on 1923-5 as 100, which stood at 192 at the end of 1929, stood at 263 at the end of 1932, and at 265 in January, 1933. If the index of stocks of manufactured goods shows a slight decrease (in the United States, from 114 in September, 1929, to 96 at the end of 1932), this only reflects the fact that the existence of millions of unemployed workers alongside enormous unused machinery and means of production is equivalent in the field of manufacture to the existence of heavy stocks. There is here no sign of diminution of the crisis, but on the contrary. Productive power and the intensity of labour has actually been carried very much further during the crisis. The output per man-hour in the United States, according to a report of the International Labour Office, has increased by about 12 per cent. between 1929 and 1932. The dwindling number of employed workers are driven even harder for less pay, while the volume of unemployment grows. For the solution of this situation all the Governments now turn increasingly, from the former

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passive economy line, to more desperate expedients of a "forward" policy of inflation and artificial price-raising as the only way out—as if this would bring the goods within the reach of the poverty-stricken masses, who already cannot afford to buy them.

IN this situation of increasing crisis, the policies of the Governments grow ever more reckless and cut-throat in character, leading to further increase of the crisis. The monopolist groupings fight ever more fiercely to hedge in their monopolies and win ground from their rivals. Government restrictions of production; subsidised destruction of commodities and of means of production; networks of tariffs, quotas and exclusive agreements, import bans and licences; currency and exchange manipulations to injure a rival or win a temporary advantage—these are the ruling principles of capitalist policy to-day, which all in public deplore, and in practice press forward. The World Economic Conference, so far from solving this situation, can only, like its fellow Disarmament Conference, become the field of still more intense conflicts and manœuvrings. International antagonisms reach the highest pitch. Britain, in order to attack the Soviet Union, cuts off its only rising market, where British exports had actually risen over threefold and nearly fourfold during the years of crisis and falling exports (from £2.7 millions in 1926 to £9.2 millions in 1932). The British-American antagonism rages in every field, over trade, tariffs, debts, currency and finance. The war ferment rises in Europe, in South America and in the Far East. Japan moves from the conquest of Manchuria and Northern China to the ultimatum to the Soviet Union. Europe is the scene of ever more open blocs and counter-blocs for war; of internal special military formations, dictatorships and fascism in an extending series of countries; of thickening secret diplomacy. In the second year of the Disarmament Conference, armaments are higher than at the outset; the question of disarming is replaced by the question of re-arming; and the talk of the menace of war is universal.

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AS in every period of rising crisis, the British-American antagonism conspicuously dominates all the antagonisms of imperialism. In the January "Notes" this year we traced already the development of this antagonism in 1932 through the stages of the Far Eastern crisis and British support of Japan; Lausanne and the "Gentleman's Agreement" for the united European front (the "Cabal," as Hoover called it); Ottawa with its spearpoint directed against America; and finally, the December 15th debts payment, which brought Britain to the edge of Repudiation, but finally "broke the Cabal," in Hoover's phrase. With this year the fight has entered into a further stage in which, alongside the question of Debts, the question of Tariffs and still more of Currency have come into the centre of the picture. The American aim has been to use the debts weapon as a bargaining weapon in order to force Britain back to the gold standard and end the offensive of sterling depreciation, and at the same time to extort concessions against the tariffs attack and Ottawa. The British aim has been to use the weapons of tariffs and of sterling depreciation in order to enforce debt-cancellation, and not to return to the gold standard until the conditions were ripe from the British point of view (these conditions being enumerated by the British representative to the Preparatory Committee of the World Economic Conference in January as (1) a "final and satisfactory settlement of the debt question"; (2) lowering of tariff barriers; (3) rise in the price-level; and (4) "guarantees against any repetition of the circumstances that forced England off the gold standard, that is to say, in particular, the unequal distribution of gold reserves.")

AROUND this theme the battle has been fought during the early months of this year, until the American coup in April of going off gold (while the British Premier was "at sea") turned the tables and forced the issue to a head. In the early part of the year British policy, confident in the strength of sterling depreciation and of the new tariff measures, was inclined to take an aggressive line. The

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Chancellor of the Exchequer, Neville Chamberlain, in his speech at Leeds on January 24, passed the "warning" to America that any further payments on the debt could only be met

> either by depreciating the currency or by increasing the tariff against America. . . . . I am not using threats.

This, he was careful to make clear, was "not a threat, but a warning." The *Daily Telegraph* wrote (January 9, 1933):

> If Washington is extremely anxious to get London back on gold, let Washington realise that the preposterous maldistribution—and sterilisation—of gold connected with the payment of war debts is one of the primary causes of the existing depression. The effect will not cease while the cause continues.

First, settlement of the debts question; then, the questions of the return to gold and other economic issues: this was the British position at the beginning of the year. On this line the British Government reply in January to the American proposal for the opening of negotiations on the debts and other economic issues, made clear that, while Britain was immediately ready to negotiate on the debts, other economic issues must await the undated future World Economic Conference:

> Decisions on questions which will form the agenda of the World Economic Conference, and in which many other states are concerned, naturally cannot be reached before discussion has taken place at the Conference between all the States represented there.

A preliminary exchange between Roosevelt and the British Ambassador, Lindsay, ended in an impasse: Lindsay, returning to London to report, admitted in an interview that there had been "very decided differences of opinion" (*Times*, January 1, 1933). The whole issue hung fire until the inauguration of Roosevelt.

THE American bank crisis, which developed through the latter half of February and beginning of March, and the inauguration of Roosevelt, transformed the situation. Roosevelt marked his inauguration by demanding wartime powers:

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> I shall ask the Congress for the one remaining instrument to meet the crisis—broad executive power to wage war against the emergency as great as the power that would be given to me if we were in fact invaded by a foreign foe.

The only " invasion " that in fact followed was the invasion of MacDonald, Herriot, Schacht, Jung and the rest of the long line of delegates of the European debtors. But the language of Roosevelt's inaugural speech, with his solemn references to " unscrupulous money-changers," " recognition of the falsity of material wealth as a standard of success," return to " the ancient truths," &c., no less than his rapid concentration of administrative power and executive action in the interests of big monopoly capital, showed sufficiently that a new edition of Wilson was at the head of affairs. This was soon demonstrated also in the negotiations with Britain and the other European countries. While MacDonald was on his way to America, the lightning stroke of the American departure from gold was dealt on April 19. Currency depreciation was a game at which two could play.

WHILE internal reasons and the preparation of possible inflationary measures were stated to be the sole cause of this decision, it was sufficiently obvious that the enormous possibilities of this weapon to counter British sterling depreciation and enforce pressure on Britain were strongly in mind. In fact, as British comment was not slow to point out, the gold position of the United States was the strongest in the world. The United States held nearly half the world's gold supply ; it was a creditor country in relation to the rest of the world ; it had a favourable trade balance. Nor was there a question of withdrawals of short term capital held by foreigners endangering the position. Most of this had already been withdrawn by the end of 1931 ; and indeed by the end of 1932 the United States held a small net credit abroad in respect of short term capital ; it was estimated that 600 million dollars or one-seventh of the existing gold stock could " entirely exhaust foreign liquid claims on the United States " (*Economist*, May

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6, 1933). Under the circumstances it was not surprising that all except the most diplomatic British opinion saw the move strongly as an anti-British move. MacDonald in his first statement on landing, after stressing the heavy sacrifices that Britain had made to keep on to gold to the last, went on :

> There have been suggestions that the recent action of the United States was a sinister one, and I see people are using that ugly word Retaliation. The very sound of the word is repulsive. What is worse is the spirit behind it (*Observer*, 23 April, 1933).

Under these auspicious circumstances the new Anglo-American negotiations opened. The *Times* noted the contrast with MacDonald's previous visit in 1929 :

> In 1929 the Navy Department sent out two powerful cruisers to escort him into American waters. To-day the Berengaria steamed into New York without escort (22 April, 1933.)

THE American offensive of dollar depreciation was promptly met by Britain's increase of the Exchange Equalisation Fund by £200 millions to a total of £350 millions. The American departure from gold was proclaimed on April 19. The British increase of the Exchange Equalisation Fund was announced in Chamberlain's budget speech on April 25. Nevertheless, according to the ritual customary in every interchange of these most friendly and cousinly antagonists, it was carefully explained that the one had nothing to do with the other. Indeed, when the financier, Sir A. M. Samuel, began to use too plain language in the House of Commons debate on the increase of the Fund on May 4 :

> America had made a bad job of it. God's own country, which was going to tell the world how to live, was now on its back, floundering (laughter). . . .Our Government should ask her what she was aiming at, or we should have our Fund trying to keep the dollar up and their Fund trying to keep it down, a case of Pull Devil, Pull Baker.

a hasty government intervention followed :

> Mr. Chamberlain intervened to say that the hon. member was quite wrong in saying that this Fund had any intention of supporting the dollar. He hoped that his and not the hon, member's remarks would cross the Atlantic. (*Times* report, May 5, 1933.)

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The currency battle was in fact in full swing—with a curious reversal of rôles. The National Government, which two years ago was prophesying ruin if the pound should fall, and was enforcing the heaviest sacrifices and incurring most costly loans to keep it up, was now pouring out funds in order to prevent it from going up, and to maintain the relative higher value of the dollar. The forms of the battle can thus completely change with the changing situation, to the confusion of all the abstract fixed conceptions of bourgeois economics of every school; but the reality, the battle of the monopolist giants, remains the same through all the forms. Britain now lent £30 millions to France to help to maintain the franc; and Borah complained of a British-French conspiracy against the dollar.

UNDOUBTEDLY the effect of America's going off gold was to secure once more the initiative and force Britain to make concessions. The result of the Roosevelt-MacDonald interview showed a considerable American success. The British position of insisting on a debts settlement as a prior condition for the handling of the other economic issues was fully abandoned. On the contrary, the debts question was pushed into the background, and left fully unsettled. The joint statement made clear that with regard to debts it would be "misleading to intimate that any plan or any settlement is under way." The only agreements announced were with regard to the other economic issues, which America was particularly concerned to press: first and foremost, the bringing back of sterling to gold, or "re-establishment of an international monetary standard"; second, diminution of "excessive tariffs, quotas, exchange restrictions," &c.; third, increase of the price-level as "primary and fundamental" (here, the agreement on both sides is genuine, but agreement as to the methods is less easy); and fourth, "expansion of credit" and governmental "appropriate programmes of capital expenditure." Further, agreement was announced with regard to policy at the Disarmament Conference along the lines of general support of the British Plan.

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The World Economic Conference was definitely to exclude the question of debts, which could only be negotiated alongside.

THE triumphant note of the American press at the outcome of the Roosevelt-MacDonald conversations may be observed in the chauvinist *Chicago Tribune* (April 24, 1933). Under the title "Roosevelt Gains Point on Currency and Debts Talk with MacDonald—Makes Stabilisation Primary Issue of Economic Conference, Threatening U.S. May Not Go to London," it reported :

> In the contest between MacDonald and Roosevelt, the latter is credited here with having won the first round, with several points advantage. It is now understood that the President won over the Prime Minister to an agreement not to discuss War Debts as a separate issue, but subordinate them to monetary and tariff problems.
>
> But Roosevelt's major victory has been to force consideration of currency stabilisation, something he tried to bring out into the open for weeks unsuccessfully, but now has made a primary issue on which the success of the conference must depend. And it is generally admitted that Roosevelt has made up his mind that, unless he has some assurance that the Economic Conference can succeed in real accomplishment, the United States shall not go to London at all.

Conversely, the reception of MacDonald, when he came back to London and endeavoured to recount his results, was far from enthusiastic.

BRITISH opinion endeavoured to comfort itself with the hope that, although no sign of settlement had been publicly reached about the debts, nevertheless an unwritten understanding could be claimed to have been reached for a moratorium as a condition of the Conference. Reuter reported from Washington on April 26 that Roosevelt was preparing a bill to enable him to proclaim a moratorium on the debts for the duration of the Economic Conference. The *Daily Herald* reported a "general impression" that MacDonald had come home with "a provisional agreement on war debts in his pocket." The *Times* more carefully stated that "at the present moment the less said about debts the

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better." But even these hopes were to be dashed. A semi-official statement from Washington on May 10 coldly affirmed that the United States had no intention of proposing a moratorium on debts, insisted on " the impossibility of securing from Congress agreement to postpone the June payments," and declared that the method to be followed would be that of separate negotiations with each debtor. In flat contradiction to MacDonald's statement in the House of Commons on May 9 that " the International Economic Conference could not be fully successful unless the debts difficulty had been removed before it finished." the semi-official Washington statement of May 10 declared that " so far as Mr. Roosevelt is concerned, the success or failure of the London Conference is to be the determinant of the debts issue " (*Times*, May 11, 1933). Thus in full conflict on every issue of debts, currency, tariffs and financial policy, Britain and America enter into the manœuvres of the World Economic Conference. To the very eve of the Tariff Truce announced on May 12 (but accepted only with considerable reservations from Britain and France), Britain was hastily pressing through a whole series of exclusive trade and tariff agreements, with Germany, Denmark, Sweden, and the Argentine. Borah expressed the view that

> nothing need be expected from the nations of Europe either in military or economic disarmament. (*Times*, May 13, 1933.)

ALONGSIDE this sharpening of the Anglo-American antagonism, the whole European situation has developed to a new phase of tension. The victory of Fascism in Germany has unloosed a host of war-forces in the European political situation. The first and most immediately obvious of these is the extreme intensifying of the French-German conflict. Fascism has come to power on the basis of a demagogic propaganda, in the sphere of foreign politics, against Versailles, against the " traitor " policy of fulfilment of Versailles, and for the immediate re-establishment of full German sovereignty, equality and re-arming. Not only Italy, but also British policy plays up to this, as shown in the Four Power Pact negotiations. At once France and the Little Entente

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are up in arms. The Disarmament Conference reaches a deadlock. Bellicose speeches are hurled across the frontiers. German Social Democracy rallies to the " national " cause of Hitler, who receives a unanimous vote in the Reichstag. 90 of the 129 French Socialist Deputies vote the war credits in France—for the first time since 1914-1918. The atmosphere of 1914 returns anew. German Imperialism stokes up the fires of war among the masses in the name of " the fight against the injustices of Versailles." French Imperialism stokes up the fires of war among the masses in the name of " the fight for democracy against Fascism." Thus the workers are to be drawn anew into fratricidal conflict, with Social Democracy on either side hounding on the slaughter. That is one aspect—but only one aspect—of the present European situation.

IT is only one aspect, because it would be a mistake to take too simply at surface value the demagogy of Hitler. There is and can be no independent foreign policy of Fascism, any more than of Social Democracy. Just as Fascism, for all its attempts to figure as an independent force above the classes, remains and can only operate as the weapon of the bourgeoisie for the subjection of the masses, so the foreign policy of Fascism can only be the continuance of the foreign policy of the German bourgeoisie. The same factors of the balance of world forces that compelled the policy of fulfilment, whether operated by an Ebert, a Stresemann, a Brüning or a von Schleicher, compel for the present the continuance of the same policy of fulfilment, operated now along identical lines and in practically identical terms by a Hitler. That was the significance of Hitler's speech of May 17. " Germany will tread no other path than that laid down by the Treaties. The German Government will discuss all political and economic questions only within the framework of and through the treaties." Full acceptance of Versailles—for just this crime a short time back " heads " were " to roll." The demagogy is revealed as—demagogy. The importance of this for the

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undermining of the ideological basis of German Fascism, and for the disillusionment and awakening of the masses who have been deluded into following its standards, is very great. But for the moment it means a still more important warning to the international working class. The most important direction in which the present foreign policy of German Fascism is to be sought, lies, as its more considered statements have made abundantly clear, not so much along the path of an immediate conflict with France, as along another path—eastwards. The conflict with France, the undermining of Versailles, goes forward none the less; no sham settlement at the Disarmament Conference can change this basic conflict. But this should not blind us for a moment to the urgent immediate menace.

THE second aspect of the new European situation consequent on the victory of Fascism in Germany consists in the moves towards a bloc of Fascist and "Revision" states, in particular, Germany, Italy and Hungary, with Austria still torn between opposing forces. The international organisation of Fascism now begins to be loudly proclaimed in Rome. Germany, Austria and Hungary appear drawn in the orbit of Italy. British policy plays on this tendency for its own purposes to build the anti-Soviet bloc and counter the influence of France in Europe. The conception, however, of an international policy of Fascism is manifestly a contradiction in terms. Fascism is in its essence "national" in the sense of being based on the exclusive interests of a particular bourgeois grouping and state. Fascism can no more be international or have a single international policy than can capitalism or imperialism, of which it is only a particular phase. The legend of a common international policy of Fascism or united policy of the Fascist states is in fact a legend to cover the commonplace process of alliances and antagonisms of a given grouping of bourgeois states, whose only measure of common interest in this particular case is the common interest in disturbing the *status quo* and securing a

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new division as against the Powers in possession. This common interest was visible long before the victory of Hitlerism in Germany ; the reported Secret Treaty between Germany, Italy and Hungary was stated, according to the debate in the French Chamber Foreign Affairs Committee (exchange between the Conservative, Ybarnegaray, and the Chairman, Herriot, in February) to have been reached in August, 1932. The basic antagonisms and mutually hostile interests remain as irreconcilable as ever, and are in fact intensified by the chauvinist policy of Fascism.

THIS has been powerfully illustrated, not only in the experience over the Four Power Pact proposals, but still further in the subsequent Germany-Austria-Italy negotiations. Fascist Germany and Fascist Italy are revealed in direct antagonism over the body of Austria, which is itself torn between the two rival forms of Fascism, of Dollfuss and the Heimwehr on the one side, and of the Nazis on the other. Fascist Germany demands the incorporation of a Fascist Austria. Fascist Italy emphatically opposes any such union, as made fully clear in the Mussolini-Dollfuss conversations in April. Mussolini drinks his toast to " the maintenance of the independence of the Austrian Republic." As a counter to the German union, closer relations with Hungary are encouraged. But here again the Hungarian reaction, in union with a section of the Austrian reaction (conference of the Austrian and Hungarian monarchists at Vienna in April) seeks a re-establishment of the Dual Monarchy, to which Italian policy, no less than German, remains opposed. German Fascism supports the Nazis in Austria ; Italian Fascism supports Dollfuss and the Heimwehr. Beneath all the supposed " community " of Fascist interests, the basic antagonisms of bourgeois policy play their course as before. An extreme German-Austrian tension replaces the former close relations. Once again the Hitlerite foreign policy lands in exposure and isolation. Where before in Austria there was strong friendship and repeated attempts at the Anschluss, only held back by

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French opposition, there now develops the most active antagonism, which is freely expressed in the official press on both sides, and which Germany seeks to break by the force of a subsidised Nazi coup.

THE third aspect of the developing new European situation lies in the relationship of British foreign policy to German Fascism. Whether or not there exists, as has been alleged, a secret understanding between the British National Government and the Hitler Government, it is manifest that there is a measure of close common working in practice, despite all the expressions of detestation of public opinion even of considerable bourgeois sections, reaching reflection also in the House of Commons. We should beware of exaggerating the importance of the very emphatic declarations of Chamberlain, Churchill, Grey and others against the " tumultous insurgence and ferocity and war spirit " (Churchill), or " All-Prussian Imperialism " and " savagery " (Chamberlain), of German Fascism. These expressions of the friends of every Fascism and White Terror in Europe are the temporary expressions of the particular interests of British Imperialism, when German Fascism showed signs of demanding too much in respect of armaments and colonies, and of endangering the Western anti-Soviet bloc which British policy is trying to build up. It is sufficient to recall that the same Churchill was but a few weeks before holding up the Nazi Storm Troops and ardent militarist spirit as a model to the pacific youth of England, where the sons of the bourgeoisie were beginning to show dislike for their future rôle as cannon fodder or raw material for chemical destruction ; and that the same Chamberlain has never failed to express his warm affection for Italian Fascism. These expressions have served as a safety valve for the undoubted volume of widespread indignation in England at the unconcealed barbarism which is Fascism. But the National Government pursues its policy ; and that policy has been one of continuous sustenance and assistance to Hitlerism.

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THE connection between British foreign policy and the support of Fascism and every form of reaction in Europe has always been a close one, as seen already in the relations to Italian Fascism (Chamberlain's Lugano meeting) and to the White Terror in Hungary (Snowden's loan to save Horthy). Close relations between the British Conservative headquarters and the Nazis were already notorious considerably before the conquest of power (Rosenberg's first visit, and the connections through Deterding). As soon as Hitler was firmly established in Germany, within three days of the Terror elections, MacDonald and Simon set off on their tour of Europe to inaugurate the new era. After a doubtful interview in Paris, where the French claims at the violation of Versailles by the auxiliary military formations in Germany were brushed aside and met with a " disappointing " reply from the British representatives, MacDonald took the tribune at Geneva as the open protagonist of Fascist Germany: " Either Germany is given justice and freedom, or Europe will risk destruction " ; and put forward his proposals for the increase of the German army and reduction of the French, with British armaments untouched. Conservative opinion in Britain was startled at the hostility to France ; Liberal opinion was aghast at the " blunder " of such eagerness to make concessions to Fascist Germany :

> It was a blunder to open up the question of treaty revision precisely at a moment when the forces of reaction had triumphed in Germany, and thus to promise concessions to Hitler which had been refused for a decade to a democratic and republican Germany. (*Economist*, April 8, 1933.)

It was of course no " blunder," but the consistent line of British policy. There followed the Rome interview, with the British Premier appearing openly as the sponsor of Mussolini's Plan for the Four Power Pact, with two of the four places in the new Directory held by Fascism, Britain as the go-between and France isolated. British policy was in fact seeking to use the victory of Fascism in Germany to weaken France and to pursue its old aim of the Western European anti-Soviet bloc under British hegemony.

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MACDONALD'S own enthusiasm for Fascism is no new phenomenon, and only equalled by his pathological hatred of Communism. It was MacDonald who already, as Leader of the Labour Party, welcomed the Italian Fascist coup with lyrical enthusiasm :

> If we see in the Italian Fascismo movement nothing but a rather loud and dictatorial revolt of political hooligans, we miss the real reason why Italy seems not only to have accepted it, but welcomed it. The life and spirit of Italy were being stifled by economic and political conditions which, like the sheaths of buds in the springtime, have to be burst before the energies of the tree can expand in freedom. . . . a national revival, which appealed to the youth, to romantic tradition, to co-operative idealism.

Now again the victory of Fascism in Germany inspires anew this typical leader of Social Democracy through the whole post-war decade ; and, in face of the barbaric orgies, meanness and destruction of all culture in Germany, he burst out in the House of Commons on March 23 :

> It is perfectly plain to every one that national life is being revitalised in Europe.

" National Labour " answers to the call of " National Socialism." Despite all the protests of all sections of opinion in Britain, the National Government pursues its course. This was further illustrated by the incident of the police attempt to tear down the German boycott posters in East London, which the Home Secretary in the face of protests in Parliament stated to have been done by mistake and without consultation, but which the London correspondent of the *Deutsche Allgemeine Zeitung* reported to have been done by the direct orders of Lord Trenchard and the Home Secretary ; by the attitude to the Rosenberg visit and reception of Rosenberg by the Foreign Secretary ; and by the answers of the Home Secretary on the free entry to all Fascist emissaries and organisers, in contrast to the constant harassing and stopping at the ports, not only of Communists, but even of liberals and bourgeois pacifists.

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BUT the proposal of the Four Power Pact met with inevitable difficulties. Britain could not afford to break with France. The outburst of the Conservative leaders, Chamberlain and Churchill, in the House of Commons debate on April 13 on behalf of France and denouncing their class-allies, the Fascists, in Germany, was the expression of this. The Four Power Pact had to be laid on the shelf for the time being. British-French policy drew closer together again. For the aim of British policy was to draw together a Western European bloc as a whole against the Soviet Union, and just this was in danger of running aground by the attempt to force events too rapidly. Britain broke off trade relations with the Soviet Union by the 80 per cent. imports ban on April 19, using the pretext of the very mild condemnation of two agents of the British spy organisation in Russia who, when confronted with the evidence, had written full confessions of their work under the British Intelligence apparatus. Japan had immediately followed on April 20 with the ultimatum to the Soviet Union over the Chinese Eastern Railway. But the situation in Europe ran on to different lines, and the plan to force a combined attack broke down. France went forward with the ratification of the French-Soviet Non-Aggression Pact, and ostentatiously stressed, as against Germany and Britain, the development of closer relations with the Soviet Union (the French Foreign Minister going out of his way to refer to the Soviet Union as "a great country with a great future," and French politicians of the Left even endeavouring to contort themselves into making highly ridiculous speeches about the common interests of the "great democratic countries," France and the Soviet Union, against Fascism and Reaction), and further developed French-Soviet economic relations. Germany retorted with the ratification on May 7 of the German-Soviet Treaty, carrying forward the Berlin Treaty of 1926, itself the continuation of Rappallo, which had been left unratified since 1931. The pacifist attitude of the Soviet Union, which met the Japanese ultimatum with the offer to hand over the Chinese Eastern Railway, postponed immediate attack in that quarter. At the same time President Roosevelt's

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Message of May 16, which was for the first time addressed directly to the Soviet Government, was widely interpreted, also by an official Government spokesman (Senator Robinson in answer to Senator Borah), as possibly implying technical recognition of the Soviet Union by the United States. The British Foreign Office, and the whole policy of MacDonald-Simon, at the same time involved in the very difficult stage of Anglo-American relations, had met with a rebuff and had to draw in its horns. A " moderating " influence had to be exercised on German Fascism both by Britain and by Mussolini. The outcome was the Hitler speech of May 17. On this basis the attempt is now renewed to draw together once again the Four Powers under British leadership and with the whole brunt of " revision " turned, not primarily against Versailles, but against the Soviet Union.

THE menace of the present situation is sufficiently obvious. Labour expression, after its preliminary denunciations of Fascism (invariably twisted with singular agility into far more fervent denunciations of Communism), now begins fully to accept " the statesman " Hitler on the basis of the May 17 speech, in exactly the same way as it accepts " the statesman " Mussolini.

> Herr Hitler's speech . . . was of such a character that it inevitably received the approval of the whole Reichstag, including the Social Democrats. And it is of such a character that it must provide, if not a basis for immediate agreement, at least a basis for continued and even for hopeful discussion at Geneva. . . . All sensible folk . . . will feel relief. . . . Herr Hitler should be taken at his word. (*Daily Herald* editorial, May 18, 1933.)

The attempt is being made once more to patch up an agreement at Geneva, on the basis of German re-arming, alongside some form of " security " guarantees for France (that is, on the basis of an understanding that the offensive shall only be eastwards), and thus to build the bloc of Western Imperialism and reaction against the Soviet Union. Hitler, who came to power on the basis of demagogy against Western Imperialism, against the Entente, is ready to sell Germany to the Western Powers,

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to the Entente, as a pawn for the war against the Soviet Union, in return for the right of re-arming, territorial aggrandisement in the east, and possible colonies. The Second International is already broken up and fully following the various war policies of its divergent masters. The need for the most rapid development and strengthening of the united working class front against Fascism, against the attack of reaction, and against war is urgent, and nowhere more than in Britain and France, where a big responsibility rests on the working class for the immediate future development of the world situation.

R. P. D.

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THE REVISION OF THE VERSAILLES TREATY

By KARL RADEK

THIRTEEN years have passed since the Entente Powers, who together with the United States defeated the Powers of the Triple Entente, set about "regulating" the state of the world. The Peace Treaties of Versailles, Trianon, Neuilly, and Lausanne, pursued the aim of creating such prerequisites for the further existence of capitalism as would enable the bourgeoisie to skim the cream off the milk. Everything the Communist International has written with regard to these treaties and the position arising out of them (see the resolution of the First Congress, adopted in March, 1919, which fundamentally provided the most correct characterisation of the contradictions contained in the Treaties, which were then not even official, that has ever yet been), everything that Lenin wrote on the Treaty of Versailles, has proved itself to be the stern truth. Who would now dispute those words of Lenin, which he wrote on May 11, 1920:

> The collapse of the capitalist governments is inevitable, for everyone can see that a new war like the Great War is unavoidable, if the imperialists and the bourgeoisie retain power. New quarrels and conflicts are growing up between Japan and America, the bases for which have been created during a decade of the history of the diplomacy of the two countries. War is unavoidable on the basis of private ownership. The war between Great Britain, which has acquired colonies by robbery, and France, which feels itself to have been defrauded, is inevitable. No one knows where and how the war will break out, but it is a matter of common observation, knowledge, and conversation, that preparations for a new war are inevitably being made.

When Lenin wrote these words there was much that he did not know that we know to-day as a result of the voluminous literature that has appeared since that time in the form of memoirs, and as a result of the mass of documentary statements that have become known since then. At that time Lenin could not know all this. He could not know that Clemenceau on his return from India complained to Lloyd George, whom he visited in London, that Great Britain had turned round upon France and that Lloyd George smilingly answered him: "Great Britain has only returned to her old policy. Why should that astonish you?" At that time Lenin could not know of the letter written on July 30, 1919, to Wilson by his chief adviser, Colonel House, who had travelled to London after the signing of the Treaty of Versailles:

> The relations between the two countries (Great Britain and the U.S.A.) are beginning to assume the same character as the relations between Germany and England before the war. (House, *Intimate Papers*, Vol. IV., p. 495.)

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Without knowing all this, simply as the result of a Marxist analysis of the situation, Lenin, in his draft for a pamphlet on tax in kind in March, 1921, drew up the following table for the mutual relations of the imperialist powers after the war :—

The Entente against Germany,
America against Japan (and Great Britain),
America against Europe,
The imperialist world against Asia.

Since then, of course, a number of concrete changes in the mutual relations of the various capitalist powers have occurred. It is still impossible to say quite precisely what objectively will be the grouping of the imperialist forces in the event of the war. But the outlines, as well as the causes of the impossibility of maintaining the conditions which arose as a result of the war in 1919, are clear.

The policy of reparations is bankrupt, for reparations enormously sharpened the post-war crisis for capitalism. The burden of interallied debts is a rope round the neck of international capital that it cannot shake off. The frontiers that were drawn with the sword cut to pieces the living bodies of a number of European nations and the wounds caused thereby are festering and causing a continual fever. The colonial policy of the Great Powers is perpetually on a volcano. For not one moment has India settled down. If British imperialism succeeds from time to time in smothering the growing wave of the people's movement by acts of brutal repression, all the social forces unite in the struggle against British imperialism that are destined to prepare the end of the rule of British imperialism on the great continent of India. In the clutches of world imperialism China cannot solve the problem without a solution of which it must die of hunger and become the source of severe shocks for the continent of Asia.

Still more, there exists this contradiction in the Versailles system : that French imperialism was victorious with the help of British and American imperialism, whereas the latter, since the war, have no longer any wish to defend what France has gained for herself by her arms. A number of imperialist powers were left unsatisfied at the end of the war. Italy and Japan demand a redivision of the world. The United States, the greatest and richest imperialist power, have not only no colonies worth mentioning, but also have no naval base for their fleet, which set itself the task after the war of achieving equality at least with the British fleet.

The complete revision of the Treaty of Versailles is demanded by the capitalist countries that were beaten in the war. These are no longer in 1933 what they were in 1919. They have restored their economic and military machinery. A generation has grown up in these countries

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that does not remember the defeat, but is realising its consequences. As a counterblast to the cry for revision of the Versailles Treaty, behind which lurks the watchword of a fresh, wholesale division of the world, can be heard the cry for the preservation of the status quo.

Ever since 1919 the bourgeois opponents of the Versailles Treaty who were clever enough to realise that it can be no basis for the further development of capitalism, have been racking their brains to think out a Peace Treaty that would be good enough to satisfy all the capitalist powers. Since the appearance of Keynes' *Economic Consequences of the Peace* a voluminous literature has appeared on the revision of the Versailles Treaty which is very reminiscent of the squaring of the circle. Not one of the proposals favourable to German imperialism is accepted by French imperialism, not one of the proposals that might be of advantage to American imperialism is accepted by Japanese imperialism, not one of the "conciliatory" proposals of British imperialism is accepted by French imperialism, not to speak of all the plans for the redivision of South Eastern Europe, or of the solution of the question of the Polish coastal district (known as the "Corridor").

Even such a question as that of reparations and inter-allied debts, for the solution of which the simple economic fact should serve as a basis, that no country can pay its debts otherwise than with its exports, and that therefore every country on whom the burden of debts is placed is compelled to harm its opponent by dumping—even this question cannot be solved on the basis of this simple consideration; against the liquidation of inter-allied debts the fact tells that these debts would fall on the shoulders of the American taxpayer, were France, Great Britain, &c., to be freed of them. The only solution, namely the cancellation of all war debts, would mean an enormous blow for the rentier, and for finance capital—and hence the bourgeoisie will not agree to it.

Those powers that are striving for the revision of the Versailles and Washington Treaties, demand a redivision of the colonies in the name of justice. It is sufficient to point out the fact that the German Society for the Return of the Colonies is even demanding that the colonies taken by Japan during the war should be returned to Germany in view of the fact that Japan has left the League of Nations. Yet this demand is being made at a moment when dozens of millions of colonial peoples are rising up against the existence of colonial possessions at all.

What is the position with regard to the question of redrawing the frontiers of Europe from the standpoint of the interests of those nations who are suffering as a result of the present frontiers?

The whole district of the lower Vistula was for centuries the object of a struggle between Germanic and Slav tribes. Later it was the object

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of a conscious policy of colonisation on the part of the Order of Crusading Knights. After the partition of Poland Germany carried on in these districts a policy of colonisation and extermination (repression of the indigenous population). Germany attempted to extend the frontiers of the areas inhabited by the German people by subjecting the Poles to economic and political pressure. On their side the Poles, after the territory which had been conquered by Frederick the Great in order to unite so-called Royal Prussia with the Principality of Prussia had been restored to them (this area was restored to Poland not, according to the German legend, because Paderewski misled Wilson with maps that had been tampered with, but because the return of the coastal district to Poland was in the interest of the French General Staff), ousted hundreds of thousands of Germans out of this district, which they had possessed for more than a hundred years, by means of economic and political pressure. Can capitalism justly solve this question, that is, so that the masses of the people shall not have to suffer from its solution ?

This it cannot do, neither from the standpoint of the satisfaction of their national interests nor that of their economic interests. Under Socialism the close co-operation of two peoples that are administratively separated and have their own national frontiers, is possible. Under capitalism every advance in the economic sphere, every economic question is the object of the struggle for supremacy of the bourgeoisie of one country in relation to the bourgeoisie of another country.

There is no just solution of the national question in North-Eastern Europe and there is no just solution of the still more complicated national relations of the Danubian and Balkan countries. In old times whole streams of peoples passed through these countries, and they left behind an ethnographic mixture out of which new peoples have arisen. Only the revolutionary unification of South-Eastern Europe, based on the interests of the masses, would go to solve the national question.

Thirteen years have passed since the Treaty of Versailles. Unfortunately it was impossible for the proletariat of the leading capitalist countries in these thirteen years to go the road that the proletariat of the Soviet Union has gone, it was still not possible for it to wrest the power from the hands of capitalist cliques and to take into its own hands the solution of the question of the life and development of the peoples. And imperialism, which has failed in the attempt to force on the world the conditions of Versailles, is not in the position to give the world conditions of life differing fundamentally from those of Versailles.

The best proof of this is the fact that it is the fascist governments that are the standard-bearers in the cry for revision, the governments that oppress the masses in their own countries in the most ruthless fashion,

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the governments whose ideology harks back to the Middle Ages. The mere fact that the revision of the treaties is bound up with the victory of fascism shows how much this revision has to do with the national interests of the peoples who are designated as " inferior " by the fascists.

The path of revision of the robbers' peace of Versailles is the path to the new world war. All the attempts of the interested parties to represent the matter as though it were a question of a peaceful transformation of the old treaties, cannot deceive us. The diplomatic fuss with regard to the revision of the Versailles Treaty is only one of the forms for the preparation of the war. The word " revision " is only another name for the new world war. It is therefore not to be wondered at that one of the basic demands of the revisionists is the demand for the right to those armaments which are forbidden by the Versailles Treaty. The discussion with regard to revision is the smoke screen behind which imperialism is preparing the most horrible cruel war which the human brain can imagine, a war that will completely put in the shade all the horrors of the imperialist war of 1914-1918.

What has been said suffices to determine the attitude of the international proletariat with regard to the clamour about the capitalist revision of the Versailles Treaty and what is actually behind this clamour. The international proletariat continues to be the enemy of the Versailles Treaty. Only its own victory, however, can replace this treaty by peace treaties based on the right to self-determination of peoples, by peace treaties which take into consideration the national needs of even the most backward peoples and clear the way for the common struggle against want, misery and ruin which have been brought about by post-war capitalism. But this will be a socialist revision. No new grouping of imperialist Powers and no redivision of the world on the basis of the predominance of a new imperialist group over the victorious Powers can bring about a just peace.

Only the victory of the proletarian revolution and of the revolution of the colonial peoples can rid the world of the horrors of a new imperialist war, and can pave the way for the solution of the questions at issue

Apart from its attitude towards imperialism, towards the question of the self-determination of peoples and towards imperialist wars, the international proletariat—the enemy of the Versailles Treaty—cannot range itself on the side of those imperialist Powers who wish to carry out a redivision of the world amidst the conflagration of a new imperialist war. The fight against the peril of a new imperialist war will be the central task of the international proletariat. With it is closely bound up the struggle against fascism. The historic function of international fascism consists in postponing the moment of the complete overthrow of capitalism by means of the complete enslavement of the masses, in order to drive them into the shambles of a new imperialist war.

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The proletariat of the Soviet Union is the leader of the international proletariat in its fight for peace. The Workers' and Peasants' State came to birth in the struggle for peace and has not only stood firm, during all the fifteen years of its existence, as the guardian of its own peace, but it has always with the utmost consistency appeared in the international arena as a champion of peace. The Soviet State is fighting for peace, not only because the proletariat of the U.S.S.R. needs peace in order to build up socialism in its territory, which has been freed from the yoke of the bourgeoisie ; it is fighting for peace because it is deeply convinced that peace is the best prerequisite for the victory of socialism on a world scale. The miserable defenders of the international bourgeoisie have always accused the Soviet Union of contemplating war, and hoping that by means of the disturbances of war the victory of the international proletariat will come to pass.

This nonsense does not merit a serious answer. War means not only the unleashing of the savage bourgeois-nationalist dogs of war, but it will, on account of the nature it has assumed in its latest developments, bring about such a destruction of productive forces that the victorious proletariat would have to struggle to build up socialism under the most difficult conditions. The immediate interests of the Soviet proletariat and those of the international proletariat dictate categorically a policy of peace ; they dictate categorically to the Soviet State a policy of non-interference in the criminal struggle of the imperialist cliques and they dictate categorically the defence of the peaceful work of the Soviet territory against every effort to drag it into the whirlpool of imperialist affairs.

The imperialist Powers, who are making preparations for a new imperialist war, are at the same time very much afraid of this war. They realise that even if they should succeed in breaking the resistance of the masses and driving them on to the battlefield, the revolutionary proletarian movement would, after the first defeat, sweep the masses and that a protracted war would unavoidably lead to a socialist revolution.

They fear that the existence of the Soviet Union, which would be the only haven of peace in this sea of blood, might have a powerful influence on the masses of those countries which would be thrown into the chaos of world war. For this reason there are in existence, in many imperialist countries, groups who are working out plans as to how the redivision of the world should be begun with the war against the Soviet Union.

If Japan could be moved to declare war upon the Soviet Union, the Soviet Union might be weakened by such a war and Japan also would certainly be so far weakened that its opponents or " allies " would no longer have to be afraid of youthful Japanese imperialism.

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If Poland could be pushed into a war against the Soviet Union, then it would be easier to persuade it to forego the Corridor, by compensating it with Ukraine separated from Russia, which would still have to be conquered, and in this way to create for German fascism a way out.

This programme for the revision of the Versailles Treaty by means of the creation of a still worse form of the Brest Treaty, this programme is the foreign policy of German fascism. It is superfluous to state that the ingenious authors of this programme have arrived in the world too late. The times of the Brest Treaty are long past, and every attempt to enter into a revision of the Versailles Treaty at the cost of the Soviet Union will endanger the existence of those capitalist Powers who wish to try to put such a programme into effect. The Soviet Union will not meddle in the squabbles of imperialist groups. Any attempt, however, to turn matters against the Soviet Union would raise, not the question of our position in regard to the Versailles Treaty, but rather the question of the very existence of capitalism.

The capitalist world is not in a position to settle a single one of the problems which confront humanity, either by peaceful or by war-like methods. The Soviet Union has actually shown, as a result of the carrying out of the Five-Year Plan and of collectivisation, that it is in a position to solve the fundamental problems of mankind through the building up of socialism. The Soviet Union has shown, by means of its national policy, which makes it possible to utilise all the productive forces of the whole enormous country for the benefit of all the people living within the Soviet frontiers, that it is in a position to solve the national problem. The development of even the most backward peoples in the Soviet Union, who before the revolution did not even possess an alphabet, shows that the victory of socialism means not only the solution of the economic, but also of the national problem of which capitalism has made a tangle of irreconcilable contradictions. If world capitalism turns against the Soviet Union, in order to accomplish its downfall, in order to call down a rain of blood upon socialist territory, then the Soviet proletariat will be confronted with the task of placing itself at the head of the world-proletariat in the fight for the solution of the problems which world capitalism has not and will not be able to solve. Then the Soviet proletariat will say to the world proletariat and to the colonial peoples: If there is to be a revision, let it be a complete revision.

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THE WORLD ECONOMIC CONFERENCE

By H. RATHBONE

" The President and his advisors are believed to take the most serious view of the present situation. They do not regard the depression as a temporary phase which will pass as other depressions have passed. They believe it is reported, that Western civilisation is at the cross roads and that only vigorous international action can avert disaster."

I. WHAT HAS LED UP TO THE CONFERENCE.

IN these words a leading article in the London *Times* for April 1 this year interpretated the views of Roosevelt, the new President of the United States, as indicating the importance that the American Government must, therefore, attach to the World Economic Conference.

In these words British capitalism at last admits to the existence of a crisis going deeper than the ordinary cyclical depressions of capitalism.

In these words British capitalism pays lip service to the need for international action to avert disaster.

We say lip service advisedly; for as will be shown, while the ideal of capitalism may be international action, the fact of capitalism is the inevitable drive to nationalism to self-sufficiency (" autarchy "), with Fascism and the drive to war as its inevitable consequences as exemplified by Germany to-day.

The fact of the end of the stabilisation of its system has forced itself on the attention of every capitalist power.

Take, for instance, a few of the indications quoted by Preparatory Commission of Experts in their Draft Annotated Agenda for the World Economic Conference.

World Unemployment at 30 millions: but this does not include " workers' families or dependants," and is " probably an under-estimate." A decline of wholesale prices since October, 1929, by a third; raw materials by 50 per cent. to 60 per cent. Wheat at Winnipeg in December at a level *so low that has not been recorded for* 400 *years.*

" Huge accumulations " of world stocks " overhang some of the principal markets," their index for 1932 being double that for 1925.

Industrial production drastically curtailed, particularly in those trades producing capital equipment.

The international flow of goods " reduced to incredibly low levels." The total value of world trade in the third quarter of 1932 only about a

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third of that in the corresponding period of 1929, the fall during the three-year period being " continuous."

In some countries the total value of their export trade " fallen below the sums required for external debt service alone."

Facts such as these " indicate," says the report, " the extremities to which the forces of disintegration have already carried the economic and financial world "—of capitalism.

" In the field of international trade, prohibitions, quotas, clearing agreements, exchange restrictions . . . throttle business enterprise and individual initiative . . . these measures have developed into a state of virtual economic warfare."

Such is the estimate of the situation as to which this Committee, representing the nine countries of Germany, Belgium, Great Britain, China, the United States, France, India, Italy and Japan, came to a unanimous conclusion.

Production and Prices fall but stocks persist in Rising

A more detailed examination of the figures of production, stocks and prices bring out several important features.

As regards production compared with 1928, while its level in Germany, the United Kingdom, France, and the United States is down by between more than a third and a quarter, the level of production in the U.S.S.R. is well over twice as much (134 per cent. above 1928), bringing it up to being the second greatest industrial nation of the world. These facts give sufficient reason alone for the growing fury of the capitalist world towards the Soviet Union and in particular of British capitalism, whose share of the total production of the world it has now outstripped.

Secondly, the production figures show that Japanese production is also rising, but as will be seen this rise is based on the fact that Japan has now entered on the period of wars and revolutions which the other countries are fast approaching.

The accumulation of stocks, when examined more closely, show that in spite of the destruction, the dumping in the sea, the burning, all manner of restriction of output and reduction in acreage—in spite of all these measures, stocks persistently pile up, so that the index for the total of all stocks in 1932 had only been reduced by one point compared with 1931, only to rise again above the latter year at the beginning of 1933.

The index of prices shows how unsuccessful the capitalists have been in their efforts to destroy and reduce their surplus stocks; for prices still continuously fall.

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For years now the capitalists and their politicians have been reiterating their view that a rise in prices was the key to recovery. The British Government issues reports of committees, the main burden of the recommendations (as in the Macmillan Committee) being that a rise in wholesale prices must be the objective. The British Government, through its Chancellor of Exchequer, solemnly declares itself to be of a similar view and that all efforts should be bent in this direction, but unlike King Midas, the miracle does not happen and the golden age of rising prices (and soaring profit) appears to recede still further into the future.

The Wave of Crises Reveals the True Character of Capitalism.

As a result of this ever-increasing chaotic situation it is not surprising that the history of the last few years has been the history of one puncture after another in the grossly distended capitalist belly, each puncture leaving larger areas of lacerated flesh behind it and imbedding new infections in the belly as a whole.

Each puncture has shown that no section of Capitalism is immune. The U.S.A. was once looked upon as the new model of capitalist prosperity, but 1929 came and in spite of the pontifical assertion of King Hoover-Canute the crisis refused to be stayed nor, indeed, even to respect his person. But not only on America but also on Germany and Austria, a bank of the great Rothschilds precipitating it, the new crisis of 1931 broke and spread throughout the world. In Sweden the crisis reached the very seats of the mighty. Kreuger, the supposed heroic victim of the crisis, proved its grand crook and even instigator. That most eminent trio of British capitalists, the brothers Phillipps, were attacked in the person of Lord Kylsant, and for all the efforts of capitalist justice, jail was found necessary if one of the many crying scandals was not to be perpetrated in its name.

French capitalism leads the way not only in devaluating its currency but in repudiating its foreign obligations payable in gold.

The oligarchs of American capitalism, to save themselves from being overthrown, are compelled to force through now a bank crisis and now a fall from the gold dollar. But when they also follow the French suit of repudiating their obligations to foreigners to pay interest on certain bonds in gold or its equivalent, an outcry, though unavailing and impotent, goes up from their fellow British oligarchs.

Finally, we have the spectacle of Harriman, one of the greatest of the American multi-millionaires, attempting to commit suicide rather than face the courts on charges of making off with close on £750,000 of his fellow capitalists' profits.

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Charles E. Mitchell, himself the President of the largest bank in the world, the National City Bank of New York, is also similarly accused.

What in fact is happening is that wolf is turning on wolf. In its fury, desperation and panic, the capitalist world is trying to expose to the moral approbation of all, these as isolated instances of trickery and swindling that unfortunately have crept into its system but which —as every one can but realise—it is now taking steps to eradicate, leaving something pure and undefiled. What in fact they do not realise is that the revelations into the operations of these gentlemen whether it is a Kreuger, a Kylsant or a Harriman, merely prove that capitalism is one gigantic system of swindling, crookery and gangsterism, becoming exposed by the crisis of the system itself and the rapid spread of its decay.

Trade and Currency Restrictions and their Consequences

Similarly just as capitalism is coming to realise that all its old diagnoses of the crisis were wrong, all the old remedies, tariffs, protection, trade restrictions, quotas and currency manipulations are merely intensifying the crisis.

For instance we have no less a person than Mussolini, the founder of the Fascist Corporate state, the man who announced that the State alone could enable the present system of production and trade to continue under "proper regulation," being compelled to announce to the Inter-Parliamentary Commercial Conference at Rome, that

> The system of quotas and restrictions upon monetary exchange had greatly impeded commercial movements and had caused ruinous disequilibrium between internal and external prices.
>
> (*Times*, April 20, 1933.)

What seems still more astounding is the fact that the latest convert to protectionism, British capitalism, is being compelled to admit after a lesson taught it, it may well be noted, by the one nation it has kept suppressed longer than any other in the world—Ireland—that even protectionism is useless.

Here we have Major Elliot, as Minister of Agriculture in His Majesty's National Government (for introducing protection into Britain), having to make the following statement in the House of Commons (*Times*, May 11, 1933):

> The Irish Free State provided a working model of an agricultural State whose imports into this country were regulated by a tariff and not by quota. The 40 per cent. *ad valorem* duty was a tariff of a fairly powerful nature on livestock and butter. But what was the position of livestock? Last week Irish cattle imported into this country was double what it was in the corresponding week of last year when no tariff was applied. Two years ago butter imports were 6,500 cwt. Last year they were 5,500, and in the first three months of this year

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> they were 15,000, and that with the 40 per cent. tariff. When they came to matters so vital as the control of the food supplies of this country, and the survival of the countryside, the tariff weapon was not the most useful for this country to apply. The method of quantitative regulation was the only method which he believed was fully efficacious.

It is true that Elliot confined his confession of failure to agricultural products, but as the *Times* a few days later admitted there was no essential difference between that and a tariff on all products.

It is true also that Elliot plumped in favour of " quantitative regulation," *i.e.*, quotas. This indeed remains in strange contrast not only to Mussolini's admission above, but to the unanimous condemnation of quotas by the World Economic Conference preparatory commission's report quoted above as " throttling business enterprise and initiative."

This admission to the failure of tariffs however qualified is, nevertheless, sufficiently astounding in itself and shows the ridiculous extremities to which the bourgeoisie is being forced by its own actions.

Take again the gold standard and currency manipulations.

Says the *Statist* in a leading article on the Washington Conversations between Macdonald and Roosevelt :

> One of the causes of the breakdown of the gold standard was the adoption of parities, by different countries at different times, designed to give a bounty in the export market. (April 29, 1933.)

In a previous article it had pointed out, after referring to some figures of trade currency and production, that :

> They also indicate in two different ways how the virtual cessation of the functioning of gold as an international standard has reduced industrial output. (April 22, 1933.)

These two quotations show not only that the fall from gold is now held as contributing to the tying-up of world trade but that in these falls each country has tried to manipulate the fall to its own advantage.

Professor Cassel, of Sweden, one of the foremost foreign supporters amongst economists of British Imperialism, directly accuses Britain of doing this with the £ in the *Manchester Guardian* of May 16.

He points out that after gold was abandoned by British capitalism in the autumn of 1931 and after the initial fall, below what he calls its " purchasing power parity," the pound began to rise again. Against this he says there was " a great outcry."

Accordingly the Exchange Equalisation Fund was established in the 1932 Budget. He then says, with the help of this Fund

> The pound was prevented from rising on the international exchanges to a value more in the neighbourhood of its purchasing power parity and British producers accustomed themselves to looking upon the under-valuation of the pound as a most important element in the foundations of the new British commercial policy.

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In other words, British capitalism was subsidising its exports by means of a sort of revolving credit of about £175,000,000. In other words, the comparative stability of British exports has been gained by a gigantic dumping scheme at the expense of other nations.

But as Cassel goes on to point out if other nations were to adopt the same policy there would ensue a general struggle and "the final breakdown of the world's monetary system."

World Trade down to "incredibly Low Levels"

What has been the effect on international trade of these events? Expanding a little the picture given by the Preparatory Commission of the World Economic Conference, we can quote the League of Nations itself (*Economist*, January 7, 1933) as pointing out that:

In 1930 world trade declined by 19 per cent. on 1929, in 1931 it declined by 28 per cent. on 1930, while in the first half of 1932 in 48 countries, representing 90 per cent. of world trade the decline on the previous year had reached no less than 34 per cent.

World trade is progressively shrinking at a sharply accelerating pace.

But if we look at the trade reductions of some of the principal countries what do we find?

	Percentage decline as compared with previous year.		
	1930	1931	1932
France	14.6	29.0	35.3
Germany	10.7	20.2	40.2
United Kingdom ..	21.7	31.9	6.7
United States	26.7	36.9	33.3

While there is a tendency for the trade of other countries to decline at an accelerating pace that of Britain sharply shows an opposite trend. The *Economist* of January 7 this year pointed out that there was a decline in the European share of trade as a whole in 1932, which it attributed to the British tariff. On April 28, in giving the above table, it stated that the smallness of the decline in 1932 was due to the lower value of sterling.

That is to say, the *Economist*, this organ of the Bank of England and of the leaders of British finance-capital, admits that not only tariffs but the Exchange Equalisation Account also, both deliberate measures of British Imperialism, have played a principal part in securing for British Imperialism an increasing share of the declining trade of the world, a decline which these measures have also admittedly helped to accelerate.

A "virtual economic warfare," says the League of Nations, and other leading politicians and economists make, when it suits them, still more pronounced declarations to this effect.

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The Drive to Economic Nationalism

And the result: Economic Nationalism, Fascism, Chauvinism, War and Barbarism.

The Preparatory Committee of the World Economic Conference, quoted by the *Times* of May 1, 1933, in order to emphasise the importance of this Conference, indulges in language which is at once much franker and more lurid than would normally be admitted to by any individual capitalist nation. Its report declared that:

> Failure in this critical undertaking threatens a world-wide adoption of ideals of national self-sufficiency which cut unmistakeably athwart the lines of economic development. Such a choice would shake the whole system of international finance to its foundations, standards of living would be lowered, and the social system, as we know it could hardly survive.

In these words the World Economic Conference is put up against it as the only saviour of "the social system as we know it," *i.e.*, the capitalist system.

But what are the trends towards this national self-sufficiency apart from the already tried tariffs, trade restrictions, quotas and currency manipulations? What are the developments advocated in extension of this policy?

We have that veteran social economist, Professor A. C. Pigou, of the strictly orthodox school discussing a new Price Policy in the *Times* of January 1.

He suggests a 25 per cent. rise in prices. This, he says, would involve an annual loss of £20 to £25 millions or, as he alternatively expresses it, significantly enough, a "reversal of the windfall gain which the collapse of prices has conferred upon us." But he says this would not be too large a loss if a "substantial number" of unemployed were absorbed, if, as he means, they were again set to providing capitalism with that surplus value which its pockets are aching to be re-filled with.

But, he says, if this 25 per cent. rise in prices occurred only in this country the rate of exchange would drop to "considerably" less than $3 to the £. "*This*," he asserts, "*would have no great significance in itself*," but only if through ignorance it caused a panic and a flight from the £.

Here we have Pigou abandoning every single tenet of orthodox economics with regard to foreign exchange, international trade, and the gold standard. First, that a stable exchange is of primary importance; secondly, that on no account must the balance of international payments and receipts be allowed to go out of trim lest it upset the stability of the exchange; and, thirdly, that the exchange must be based on some

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universally acceptable means of payment having a regular supply, so that the stability of the exchange need not be upset.

Pigou in fact abandons all these tenets in the face of a rapidly dwindling international trade brought about by the crisis, in turn caused by exactly the system of things for which he originally stood.

But in abandoning these tenets he adopts the tenets of a narrow nationalism, as expressed in the part of the quotation we have put in italics above, a nationalism which leads straight to Fascism, with its doctrine of autarchy or self-sufficiency, and to War.

And Pigou is not alone amongst those who are preaching this.

Reginald McKenna, the chairman of the Midland Bank Ltd., the great protagonist of heterodox economic views, of reflation, expansive currency, of controlled inflation, the author of the phrase that Britain had been crucified on the cross of gold (when Britain returned to the gold standard in 1925), this McKenna also supports this nationalism.

For speaking at the Annual Meeting of his bank in February of this year he once again dilated on what he called an "expansive monetary policy." He pointed to the already existing "expansion of credit" as having being successful, since internal prices have not followed to such a great extent the downward movement in gold prices. He said they must not be "alarmed" at the fall in exchanges—to counteract it would be at the expense of our trade. . . . *Internal prosperity with a balanced budget, lower taxation and reduced unemployment is far more important to us than the rate of exchange.*"

McKenna thus joins the Pigous in saying in effect to Hell with World Trade—for is it not proved that the modicum of his policy, which he says has already been put into effect has already assisted the decline in this trade? What, he says, does the exchange—*i.e.*, the relation of British capitalism to every other capitalist country—matter so long as we achieve internal prosperity—internal prosperity indeed such as in Germany to-day or in Italy with its rising level of unemployment—or indeed for that matter the already existing rising unemployment and progressive starvation which is accompanying the "expansion of credit" here in Britain at which he is so pleased.

The Drive to War

Japanese Imperialism, since the autumn of 1931, so far alone of all other imperialist nations, has sought a way out of its crisis through war—a predatory war on China.

Superficially this appears to have meant a revival in Japanese industry. For alone of all the capitalist countries has its production shown a rising tendency, as already pointed out above.

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Alone of all the capitalist countries is its foreign trade on the increase. In 1932 imports had increased by 15.8 per cent. and exports by 22.6 per cent. compared with 1931.

For the first quarter of this year imports had increased by 31.8 per cent. compared with the same quarter last year, while exports had risen by no less than 47.5 per cent.

Inflationary influences are definitely admitted. In December last prices were 22.3 per cent. above the previous December and according to the *Economist* of February 13 this year, fears of the effects of inflation are already leading to an effort at all costs to exchange money into goods.

Such was the critical state of Japanese industry recently that the banking crisis in the United States compelled the complete closing down of its Stock Exchanges for several days.

The April Monthly Circular of the Mitsubishi Economic Research Bureau admits to the uncertainty caused " by incipient political unrest which may jeopardise the continuance of the present cabinet," but takes heart at the prospect of a renewed rise in commodity prices consequent on " the accumulatively inflationary effects of the present and prospective large Government expenditure."

This expenditure, which has overwhelmingly been for war, has its reflection in the steady rise in the amount of new capital floated on the Stock Exchange culminating in March in a huge new increase of 360 million yen (about £21 millions at present rate of exchange) for the South Manchurian Railway Co.

Yes, Japan is finding a " way out " of its crisis, but at the cost of murdering and maiming hundreds of thousands of its own workers and bringing blood and slaughter to millions of Chinese. But already this way out is having its inevitable effect in Japan itself, is not only not alleviating the crisis but is leading to fresh robberies of the workers through inflation and is causing new political upheavals.

Japan has already entered on the period of new war but as may shortly be proved, this is also the period of revolution. Britain by its embargo on Russian imports has also taken one more step towards this.

II. The Significance of the World Economic Conference.

We have already indicated the growing chaotic situation in the capitalist world with some of its increasingly acute contradictions. More and more it is clear that the sharpest of these contradictions arise out of the rivalry between American and British Imperialism.

First and foremost is the question of debts. At the time of the Lausanne Conference last year, British Imperialism raised the question

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of debts, that the huge sum of $4,600 millions which British Imperialism in 1923 had decisively agreed to repay to the United States, must be reconsidered; that only if the United States agreed to a scaling down, if not a cancellation, which was satisfactory to Britain would the latter agree to forgo its share of Reparations under the Lausanne Agreement.

But at that time America found she had already plunged into the campaign for the Presidential elections and Britain agreed to hold over opening negotiations till after the Elections.

The anxiety of British capitalism to try and get out of the December payment was shown by its precipitate action in sending a request for a Conference to the United States within 48 hours of the declaration of the poll. In spite of a series of notes, the December payment was not withheld, though inspired statements appeared that this would indeed be the last.

Yet to-day, within a fortnight of the due date for the next payment and in spite of a special visit of MacDonald himself to Washington, there is every indication that British Imperialism will have once again to fork out.

Nor is this all. Britain has continually tried to get the Debt question to be considered officially as part of the World Economic Conference.

The United States no less persistently has resisted this and demanded that all negotiations be carried on with each individual State. This latter was a reply to an attempt by Britain to build up a European bloc of debtors against the United States.

At the same time the United States has been suggesting several times over that if trade concessions and compensatory advantages in the shape of larger markets for its goods could be arranged, a reduction in the debts might be possible. The *Economist* of December 10 last year tersely dismissed this as "a totally impossible proposition." The next week it described as "a disastrous mistake" any move to negotiate separately with the United States and to "leave the rest of Europe to look after itself."

It is clear that debts are the major trump card of the United States. For with its £4,000 million odd of capital owed to it by almost every country in the world, Britain is in no position to start repudiating its own debt to America.

In the words of MacDonald, on the result of his conversations with Roosevelt on the debt question, the "differences of view" upon "both the immediate and ultimate treatment" were "defined."

That is to say, no sort of agreement was come to; on the contrary complete deadlock and conflict became apparent.

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Similarly on all the other fields such as (1) tariffs and trade restrictions, *i.e.*, of the fight between American and British Imperialism for the large monopoly markets of the world; (2) the tremendous fight between the sterling and the dollar currencies; (3) rivalries for spheres of influence in South America and China; (4) the struggle for the control of the Dominions, especially Canada—the Conference will merely serve to bring the contradictions to a head.

How Britain and America Prepared for it.

Indeed, the preparations of the two chief protagonists, Britain and America, for the Conference, make this crystal clear.

Take the question of tariffs and the new series of British trade agreements.

Already last year the *Times*, amongst other papers, as we noticed in a previous article, was advocating the formation of "an economic unit far beyond the bounds of the political Empire" (May 6) and was suggesting that the new tariff policy would assist this.

To-day, but a few weeks ago a series of provocative trade agreements were signed with Norway, Denmark and Sweden, with Germany and with the Argentine.

The *New York World* for instance, quoted by the *Manchester Guardian* of May 3, considers the agreement with the Argentine as a "grave danger to United States trade." Roosevelt, it suggests, must "launch a prompt and powerful counter-offensive against what has already developed into a new Anglo-American struggle for the rich River Plate market."

The *Economist* of May 6 itself admitted that this same agreement would be regarded as an "aggressive measure directed against American interests."

In answer to the flood of criticism that these trade agreements were a violation of the spirit of the World Economic Conference and were directed towards purely British interests at the expense of those of every other country, the *Times* made the following blandly impudent reply.

"They are intended to be 'islands of safety' which it will be the business of the Economic Conference to extend into continents. In a world where the volume of international trade is shrinking fast, they are an attempt to make sure that at least some international trade will survive." (May 19.)

It is quite clear however that had it not been for the insistent demand of America for a Tariff Truce, many more agreements would have been fixed up. Indeed, measures had already been taken to begin discussions with Japan's industrialists as a preliminary to negotiating a new trade

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agreement. It was stated by Runciman, President of the Board of Trade, on April 27 that they had not reached the end of the trade agreements.

> Baltic countries would shortly be making arrangements with us and we with them which would free us from the tariff barriers which had interfered with trade, and in the new world, as well as in the old we hoped to extend our operations. (*Times*, April 28.)

It is obvious from this that Runciman was envisaging far more countries than actually have so far concluded agreements—negotiations which obviously were squashed by the United States insistence on a tariff truce. As the *Observer* pointed out as late as May 7, the haste with which "Britain is consolidating its position by concluding bilateral treaties continues to arouse resentment."

Further, the nature of these agreements, in particular of the Argentine one, shows that on the one side these agreements are not merely intended to ensure a monopoly market for British goods, but are a desperate effort of British capitalism in its decline, to grant even heavy concessions to ensure that at least its present British exports do not disappear altogether and its investments abroad are not lost completely.

The Argentine agreement, for instance, grants British creditors a first call on the proceeds of Argentine sterling sales in order that £10 millions that has long been due in tribute to British investors may be unfrozen and transferred to Britain. This, it was admitted, would not be "favourably regarded" in the United States, for it was officially stated that the United States had $60 millions similarly tied up there. (*Economist*, May 13.)

Finally, not only has America made it clear that it considers these Trade Agreements as hindering the work of the Economic Conference but Hull, the American Secretary of State, himself referred to the Ottawa agreements as "artificial trade barriers" and as "part of the common problems of all nations" (*i.e.*, not merely of the British Empire).

If the British attitude on tariffs, trade agreements and Ottawa caused "resentment" to America, the anger which these manipulators with their Exchange Equalisation Account must have caused must have been many times greater.

Professor Cassel made the following comment on the United States abandonment of gold. It was due, he said, to

> A desire to bring down the external value of the dollar and thus to get rid of the over-valuation of the dollar which had been felt in the United States as a serious drawback in the country's commercial relations with the outside world. More particularly it was felt to be important in the interest of the United States that the dollar quotation of the pound should be brought up from the abnormally low level at which it had been artificially kept. (*Manchester Guardian*, May 16.)

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To this move of the United States, which was taken significantly enough when MacDonald was on the high seas on his way to see Roosevelt, British Imperialism replied but a few days later with the addition of £200 millions to the Exchange Equalisation Account of £175 millions, (£25 millions of this represents profit obtained by previous manipulations of the exchange which was transferred to this account) both the United States and Britain blandly denying that there was any special significance in the sequence of these steps.

As a further counter the United States were reported on May 21 to be considering the establishment of a *dollar* stablisation fund and its amount has been stated as likely to be fixed as high as £800 millions.

While nothing has so far been published it is obvious that currency relations have become as sharply divided as debt, tariff and trade relations and that short of a complete break, a truce of some kind will probably have to be fixed up on currency to last through the Conference.

III. The Perspectives of the Conference

While British Imperialism has been initiating these measures as regards trade and currency the United States has been taking fundamentally similar measures as regards her internal economic position.

Apart from their inflationary trappings, the Farm Relief Bill and the Industrial Bill contain two very significant measures. The Farm Relief Bill gives Roosevelt power to lease lands and to withdraw from production acreage enough to reduce production. The Industrial Bill provides for "industrial self regulation," that is, for making agreements under close Government supervision on output and prices which are now impossible under the Sherman Anti-Trust Law.

That is to say, under these two Bills, Roosevelt is given power to restrict not only agricultural production but also industrial production as well.

Just as British monopoly capitalism, by its trade and currency manipulations, seeks to increase its exclusive hold over the home market for the purpose of wholesale dumping in the foreign market, so American capitalism behind the veil (to quieten the revolting petty-bourgeoisie both in town and country) of inflation and huge reconstruction proposals similar to Lloyd George's grandiose smoke screens at the end of the last war, takes new huge powers for its monopolies to tighten their grip on the home market and to increase their powers of dumping abroad.

International Regulation of output is one of the points on the agenda of the Conference, but in view of the fact as the *Times* of April 4 admitted that "there are so many conflicting interests and so many divergent

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views," the Conference " must confine its attention to matters on which concerted action is not only desirable but also practicable."

International organised capitalism may be " desirable," but it is an unattainable aim. What is " practicable " is temporary truces, empty declarations behind the screen of which manœuvres go on, to try and reduce the opponents output, to filch the opponents' trade, to secure the opponents' market, to undercut the opponents' production.

Just because organised restriction of output on an international scale is not attainable so controlled inflation leading to higher wholesale prices is also not attainable. Inflation, yes, that will raise prices, but that involves the danger of losing all control. Controlled inflation is indeed a contradiction in terms. Higher prices at home but at the expense of dumping abroad involving new falls in international prices, but as dumping is competitive it means the break down of all international monetary standards.

The alternative is, as we said, at home destruction or restriction of output and dumping abroad involving self-sufficiency measures to fight this dumping.

And this extreme nationalism accompanied by a return to economic barbarism via the destruction of output and plant in a vain attempt to get rid of its " surplus " products, is being carried out by capitalism which at the same time is driving vast masses of workers into the degradation of poverty and starvation.

The way out for capitalism cannot be that international co-operation that seems so " desirable," but only economic nationalism leading to fascism and war—the only " practicable " way out for capitalism.

This is the perspective for capitalism at the World Economic Conference.

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REVOLUTIONARY TRADE UNIONISM IN ACTION

By E. WOOLLEY

THE increasing militancy of the British workers is clearly revealed in the increasing number of strikes that have taken place in the past weeks. These strikes represent a big advance.

Last year the Lancashire cotton workers fought a bitter and stubborn fight against wage-cuts and the more-loom system. They went back on worse conditions because the union leaders were left in control of the strike and betrayed it.

This strike more than any other gave rise to a big discussion throughout the movement on the need of the workers independent leadership during strikes and how to operate in the union branches to achieve this. Recent strikes show that the points raised in those discussions are being applied by the workers. What were problems in discussion have now been solved in life.

The Ford Strike Victory

In three days the Ford workers won a victory. Every hour of those three days were hours in which the Rank-and-File Strike Committee had to fight to maintain its control over the strike. It was because it succeeded in this, that victory was achieved.

The 5,000 strikers paralysed the factory at Dagenham by their energetic mass picketing. All production was stopped, the Trades Dispute Act was trampled underfoot.

Having failed to get success through the police forces, efforts were made to destroy the Rank-and-File Strike Committee. Touts were let loose to spread disruption among the strikers and Sir Percival Perry himself got on the job—to get a strike committee which could break the strike.

They refused to deal with the elected strike committee, stating that they were not Ford men, despite the fact that they had their Ford badges with them.

The management sent Atkinson, their agent, to try and win the strikers at a mass meeting. He took an oath on the platform that there would be no victimisation; he said the management, if they could only ascertain the real feelings of the men, would discuss the grievances.

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He was feeling his way with platform trickery, but was defeated in his purpose of getting a hold. A resolution was moved giving full support to the Rank-and-File Strike Committee and making it clear that the strike would continue under their leadership until the strikers' demands were won. Atkinson went away like a turned-adrift mongrel.

Next, Sir Percival Perry came out among the strikers and a deputation of "strikers" was arranged. The rank-and-file strike committee called a special mass meeting. The strikers were there well before the appointed time. When the strike committee came along they found the meeting in progress, and terms of "settlement" being raised among the strikers. A free fight took place on the platform. The Rank-and-File Strike Committee had to clear the Ford touts off the platform. The strikers, who were not aware of the trick that had been played, when they learned of it, gave full support to the Rank-and-File Strike Committee.

It was because the strikers had such energetic leaders that all the moves of the Ford management were defeated and victory was secured. Every issue and all the points of the negotiations were brought for endorsement and consideration before the mass of the strikers. By doing this Ford's management were disarmed in their disruption.

One of the strikers' demands was the recognition of Trade Unions, although a majority of the strikers were not members of unions. That the strikers dropped this demand was not because they were against it, but due to most of the Union officials who came along using reactionary arguments for its support and developing this demand as the primary one. Their very sermons for trade unionism were defeating trade unionism. For instance they made the big point that if trade unions were recognised then the union officials could negotiate for them. "With all due respect to your strike committee, we are better able to talk with the management than they. We are experienced at negotiations."

Union officials have repeated such arguments until in the average strike the feeling has spread that the strike was being taken away from its main task—to defeat wage-cuts, and that it was being exploited by the union officials.

I came from one such meeting at Ford's and met a group of strikers who I had worked with previously in Manchester. They had run out of the Union, though I remembered them as good fighters in the workshop. These good militant workers had wrongly dropped out of the Union because they had been let down so many times by the Union leaders. By holding forth to such workers on what good negotiators they were, when the experience of the very workers spoken to was that such Union leader "negotiations" lead to acceptance of the employers' terms when, moreover, the official form for negotiations was the York memo

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—all these things far from winning support, only alienated the strikers from the Unions.

When the revolutionary lead was given to the strikers on the need for winning the Union branches for militant action, there was a loud response from the strikers. Only a revolutionary policy will win the unorganised for Union membership. Before the workers returned they elected a Works Committee which has won further concessions from the management.

Hopes Improve on Strike Leadership

On the last day of the Ford Strike the strike of workers against the Bedaux system at Hope's factory, Birmingham, commenced, and is still in operation at the time of writing.

Here a further advance was made in strike organisation. The high degree of militancy was shown by the fact that the strikers themselves sent a deputation to ask the District Organiser of the Communist Party to come and help them organise the strike. There was no talk of " outside interference," but the immediate recognition by the strikers that their fight was a class fight that could be best won by revolutionary policy. With such fertile ground for Communist Party policy, effective results are quickly shown. The workers, the majority of whom were not members of a trade union are got to join. The first branch meeting of the Transport and General Workers' Union, which some of the strikers joined, had 250 members present. Where sermons about trade unionism from union leaders fail, the fighting policy of the Communist Party succeeds.

The highest development of Rank-and-File leadership is organised. Each department has its separate meeting and elects its members to the Strike Committee. The special position of the Young Workers is raised by them and they demand special representation on the Strike Committee. It is accepted and the Youth hold their meeting and elect their representatives on the Strike Committee.

Collectors are organised, mass picketing is organised, a feeding centre is opened. With their revolutionary appeal for funds an immediate response results. With revolutionary pickets the blacklegs are stopped.

A six-page Strike Bulletin is published, each issue full of facts that strengthen the strike.

The Union leaders are forced to recognise the authority of the strike committee and all avenues for backstair negotiations are cut off. This is good progress. Both the Weavers and Spinners in the Lancashire strikes were sold. They displayed great militancy on the picket line,

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but left the Union leaders in control and they betrayed the strike. There was no success then in getting rank-and-file mill strike committees elected.

The strikes at Ford's and Hope's therefore mark a tremendous advance by the workers in strike action and their lessons should be discussed in every Trade Union branch and workshop. Particularly should British railwaymen notice these developments. The heroic strike of the Irish railwaymen could not have been betrayed had the control of the reactionary leaders been broken and the strike organised through such strike committees as at Ford's and Hope's.

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A DISCUSSION OF DIALECTICAL MATERIALISM

By E. F. CARRITT

[*Below will be found the concluding section*[1] *of an article by Mr E. F. Carritt, Fellow of University College, Oxford and a Lecturer on philosophy. We are printing his contributions as a discussion article, since it expresses many of the difficulties and questions which are often raised with regard to Dialectical Materialism, and which it will be of value at the present stage in Britain to clear further and reply to in a subsequent article. We invite contributions from those interested, although available space is necessarily limited.*—EDITOR, LABOUR MONTHLY.]

Such is a sketch of the underlying theory which I reconstruct in order to systematise the fragmentary indications of Marx and Engels, and we shall have to ask whether their more or less orthodox followers substantiate this reconstruction. But first we must note how it is supposed to necessitate or be necessitated by their social and economic views. The connection is clearly through the conception of the class struggle. Human history, or at least all of it subsequent to a possible condition of primitive communism, is seen as the history of conflicts between classes, which can be described dialectically, the dominance of one class being thesis, their supersession by a second antithesis, and the supersession of the superseders synthesis. Thus Marx gives the triad Small production, Capital, Communism; and Engels Primitive Communism, Property (Slavery, Feudalism, Capital), Scientific Communism. Or alternatively it may be said that at any moment in the history of any people there are (at least !) two conflicting elements or classes and that the resolution of their difference is a synthesis of opposites. These are all instances of dialectic in the sense of time-development, and of development of institutions depending on human ideas, and it is this sense only in which, so far as I can see, dialectic is useful to those who wish to prove Communism inevitable. And if it is held to prove this it would also seem to prove that Communism is not itself final—by the same argument the Marxists use against Hegel.

I do not see how Communist theory is assisted by the other two senses of dialectic: the subjective process of argument and counter-argument by which fuller truth is reached, or the ontological, non-temporal composition of becoming out of being and non-being or of the individual out of universality and particularity.

[1]See May, 1933, No. 5, Vol. 15, p. 324, for first section.

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Such seems to be the connection of Communism with dialectic. Its connection with materialism might at first seem more obvious. If we are to be sure that Communism, and Communism by revolution rather than by argument, is inevitable, we shall naturally wish the forces that have to be taken account of to be as few and as calculable as possible. If philosophies, religions, laws, national and sexual passions, moral judgments, æsthetic tastes can all be shown to be caused " in the last analysis " by productive relations and these in their turn by " material forces of production," we should have ultimately but one factor to consider and that the factor generally believed most amenable to scientific precision—matter in motion. We should be dealing with a machine from which no disturbing deity need be expected to emerge. That this supposed advantage is consistent with those claimed for dialectic I am not convinced. And I must repeat that I cannot feel sure whether our beliefs (and consequent conduct) (*e.g.*, beliefs as to our interests) are determined by the facts we are thinking about or by those we are not (*e.g.*, cerebral facts). Of course this propagandist interest is not the only motive for dialectical materialism. There is on the one hand the more natural prejudice which saw that Hegelian idealism had been used to support the Prussian *status quo* and that metaphysical materialism had been associated with bourgeois *laissez faire*. And on the other there are also reasons of a purely intellectual character for criticising both these doctrines. The most academic and least class-conscious thinker may agree that Hegel's Idea is either difficult to distinguish from Dialectical Matter or difficult to understand, or perhaps both. And he may also agree that metaphysical materialism is self-contradictory. But even if these were reasons for accepting dialectical materialism, they would not be reasons for thinking it inseparably connected with Communism. Any arguments for that connection must lie in the detailed empirical observation of how the alleged dialectic of matter works, and here we have so far got little help in Marx and Engels. We must therefore turn to their commentators. And the first point of interest will be to see what principles are to guide us in selecting from the flux of change the entities which form the moments of the dialectic process. Otherwise our procedure will be purely arbitrary. Why select $-a \times -a = a^2$ rather than $(-a) - (-a) = 0$? Why seed–plant–seed rather than infancy–adolescence–age, or than spring–summer–autumn–winter or than day–night or than sun–moon–stars ? This is a difficulty also encountered by students of Hegel, none of whom, it is said, can remember the order (or orders) of his categories. The empirical evidence of dialectic in the world is collected from the following types of complexity :

(1) Metaphysical abstractions, *e.g.*, universal and particular.

(2) Mathematical relations.

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(3) Motion. (Mirsky properly criticises Russell for describing motion as merely the occupation of two places at successive moments. LABOUR MONTHLY, February, 1932.)
(4) Change in general, especially qualitative change.
(5) Intercommunication and reciprocal action of things.
(6) Organic development of individuals and species.
(7) Development of partial and opposing abstract errors to fuller or more concrete truth.
(8) Social development through class antagonism to classless Communism.

When the process is most carefully described, it is generally said to work by opposites or by contraries or by contradictions. But clearly most of the instances given are simply instances of otherness. Egg and bird, successive geological strata, feudalism and industrialism, —a and —a are not opposites, contraries or contradictories.

Of the later exponents Bukharin makes the most serious attempt to deal with this difficulty (of selecting the dialectical moments) by his doctrine of real aggregates. The changing whole is compounded of systems, none of which is simple, but all composed of smaller systems and of course all inter-related. These systems are not mere aggregates arbitrarily selected by us or even merely conjoined in space or time. Their reality as systems depends upon the degree in which the members (*i.e.*, smaller systems) influence one another. *E.g.*, he argues that a forest is a real aggregate because the trees, of which it is composed, really influence each other's lives directly, more so, *e.g.*, than do the members of the species elm. This I suppose is intended to lead up to the conclusion that a class is a more real aggregate than a nation or a race. But it might follow that an employer and his hands, who influence each other more directly than Chinese and British proletarians do, form a more real aggregate still. And I do not see what would be meant by calling particularity and universality real aggregates in this sense.

Any system, Bukharin goes on, is kept relatively or apparently stable by an equilibrium of opposing forces within it, and such an equilibrium depends on an equilibrium between the system itself and its environment. When a species is in exact harmony with its environment, *i.e.*, exactly enabled to sustain its numbers, there should apparently be least struggle between its members. The moral is of course that class conflict develops in a society whose mode of production is no longer fitted to the forces of production available. But it does not seem true of biological species and would seem to have the awkward consequence that class conflict involves conflict within the class, awkward at least when applied to the proletarian class.

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Deborin (*Marx-Engels Archiv. I.*) assimilates all this with Kant. Kant in his pre-critical physical works interpreted the universe, with Newton,[2] as the outcome of two conflicting forces, attraction and repulsion, not of impact only. He also upheld the reality of negative quantities. In the *Critique* he constantly applies the dialectical method to cognition. His only fault is not to synthesise phenomena and the thing in itself. In his political treatises he treats history as the development of human capacities by conflict.

I do not really think that dialectic is of any assistance to those who wish to prove the inevitablity of Communism. We have in it no principle for selecting the moments of thesis, antithesis, synthesis and no assurance whether a society is advancing on the dialectical path or is breaking down. In fact dialectical materialism is not really (to its credit be it said) a philosophy of history but a guiding thread for historical research. The attempt is certainly made by most Marxists to develop the materialist element of the creed into more than this, into a thorough-going monistic doctrine, which leaving mere realism, would hold that every thought and act of man can be traced to physical antecedents. But this leads to such grave difficulties that it borrows all its plausibility from the more modest realistic interpretation that reality is knowable. Yet the two meanings, both clearly held by most Marxists, appear to be flat contradictions. For if a man's economic situation wholly, in the last resort, determines his beliefs about other matters,[3] then clearly different men *must* in different situations have different beliefs about the same fact—mathematical, historical, economic—and all of these certainly cannot be true; nor is it easy to see how any should be. So reality would *not* be knowable. The attempts to meet this difficulty by Bukharin in *Historical Materialism*[4] are weak. They are to the effect that dialectical materialism is the ideology of a class, like all other theories, but since it is the ideology of the proletariat, which is the winning class, it is truer or at least (as Protagoras and the pragmatists would say) better than any other. This seems to be acepted by Mr. C. Dutt (LABOUR MONTHLY, February, 1933); and cf. Mirsky (*Ibid.*, October, 1931) " Philosophy is always a matter of party politics, *i.e.*, of class interests. This is obviously true, but only half the truth, for a philosophy consistent with

[2]But contrast Hessen, *Social and Economic Roots of Newton's Principia* (*Science at the Cross Roads*), 1931.

[3]Engels (*Anti-Dühring*) (p. 77, Aveling's translation of *Socialism Utopian and Scientific*) " religious, philosophical and other ideas are produced by the economic conditions of the times." Cf. Marx's *Critique*, and Clemens Dutt, LABOUR MONTHLY, February, 1933.

[4]In *Theory and Practice* (*Science at the Cross Roads*) he more cautiously claims only that the *choice of the scientific object* is determined by practical aims and that (though *some cognition of the external world and of social laws is possessed by every class*) methods of conception determined by modes of production variously *condition* the development of cognition. Cf. his moderate remark cited below.

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the revolutionary interest of the proletariat is also consistent with objective truth." The element of truth underlying the exaggeration appears to be that, as Marx said, though men make their own history they do not cut it out of the whole cloth. Plainly our acts and thoughts have material conditions and limits. As no man can jump a mile, so no one can do mathematics under chloroform. If a man cannot live without giving all his life to hunting or machine-tending he cannot be a good economist and cannot therefore understand the duty or expediency of socialising the means of production. And most certainly our opinions are apt to be biassed by our interests. The question is whether *all* other motives of action (lust, anger, ambition, affection, sense of duty) and *all* other causes of belief (evidence, argument, superstitition), which Marxists admit to have influence, can be traced back ultimately to economic causes. And in their more considered pronouncements they do not seem to claim this. Plekhanov says (pp. 255-6) " economic relations, though not the only ones, are ultimately decisive." Bukharin speaks of " disinterested observation " (p. 162) and (p. 184) after asserting that what he calls ideology is *predominantly* explained by social forces admits that this is only so when we are analysing abstract society.[5] Labriola reminds us that by living in society we do not cease to live in nature, which still furnishes material of imagination and curiosity (*Materialismo Storico*, Fr. Transl. p. 258). The doctrine that economic conditions predominate over any other one influence, perhaps over all others together, is highly probable, but requires empirical proof, and might every now and again mislead. It is just a maxim, though a much more respectable one, like *Cherchez la femme.*

There is one particular implication of this doctrine which deserves special consideration. If all beliefs are to be traced to material causes in the economic conditions of those who hold them, what will be the conclusion about our moral beliefs ? Marxism speaks with a doubtful or rather a double voice. I do not anywhere find a clear statement of hedonism. Rather, various possible motives are allowed, but which most people will follow is implied to depend on economic causes not present to our mind. Moral indignation against oppression and injustice has seldom raised a more powerful voice than that of Marx, who constantly uses words like bribery, treachery, hypocrisy, exploitation as if they were terms of blame ; yet in the *Communist Manifesto* (English translation, p. 27) he speaks of morality as a bourgeois prejudice destined to disappear. This does not seem to mean anything.[6] When Marx says (*Misère de la Philosophie*, Pref. to German translation) that morality only condemns what has already been condemned by history, he seems only

[5]See above.

[6]I assume it cannot merely mean that there are bourgeois prejudices about morality. So there are about economics. Yet there are economic facts.

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to mean that it cannot be our duty to destroy or to alter till history gives us some evidence that it is expedient and possible effectively to alter or to destroy. As Engels says (*Anti-Dühring*, p. 303) if and so long as class privileges were necessary they cannot have been wrong, however lamentable. It is only when changed economic conditions make their removal possible that we ought to remove them. " Socialism could become possible, a historical necessity, only when the actual conditions for its realisation are there, it becomes *practicable*, like any other social advances, not by men seeing that the existence of classes is in contradiction to justice, equality, &c., not by mere willingness to abolish these classes, but in virtue of certain new economic conditions " (*Socialism Utopian and Scientific III*).[7] The truth underlying the Marxian view that " the social question is not a moral one " seems to be that since, while the capitalist system exists, it is impossible for the good intentions of any individual to have much effect, our first duty is to understand and to alter the system. What we ought to do depends on what we believe the possibilities of the situation to be.

I do not find any pronouncement of Marxism clear on the question of the freedom of the will, which seems required by its exhortations to class loyalty, justice, &c., though at the same time it asserts the *necessity* of Communism. Marx, in *Capital*, Vol. III., sneers at the idea that men are free, but it turns out that he thinks they are becoming more so. He means freedom in the sense in which we speak of freedom from disease, obtained by knowing and following the laws of health. This has nothing to do with philosophical freedom. Plekhanov says (p. 93), " If I strive to promote a movement whose triumph seems to me a historical necessity that is because I think my own activity a necessary link in the conditions which necessarily bring it about "—and I suppose if I do not promote it, that is because (whether I think so or not) my inaction is a necessary link. The fact is he uses " necessary " here in two senses : (1) *sine qua non* (as applied to my activity), (2) inevitable (as applied to the triumph of the movement and the bringing of it about). That the conditions in which we have to act are fixed is what Utopianism fails to see. That within the limits of these conditions we are free to act is what determinism fails to see. All that Marxists are concerned to disprove is the omnipotence, not the freedom of humanity. Dialectical materialism could accommodate itself as well to the development of freedom from necessity as to that of intelligence from instinct or of life from inanimate matter. That there is a strong tendency to identify justice and expediency with custom and established order, especially when these coincide with the interests of our own class ; and that no very fundamental change in social economy is likely until a large and organised and productive body of men

[7] He also speaks, in the same work, of an *advance* in morals, and of *superior* morality, implying objective truth.

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recognise that it is in their interests, is almost certainly true. But that is a conclusion drawn from observation of human nature in ourselves and others and depends on no particular philosophy.[8]

One last point on which Marxists speak with no clear voice is whether the dialectical process will end with the establishment of communism. (1) If it only operates by the antagonism of classes as they define them, it must. But then it is no law of nature, but only a historical generalisation about certain epochs. It will cease to apply; as apparently it began to apply with primitive Communism, which was classless, yet developed (Engels' *Socialism Scientific and Utopian II., III*). Indeed, it is often suggested that not only class antagonism but all antagonism will disappear in Communism (Bukharin, p. 40), but this is merely fatuous. (2) If, on the other hand, it may act in other ways it seems hard to be sure that it may not be acting in other and perhaps more decisive ways now than in the conflict of classes.

The points which dialectical materialists seem really concerned to maintain, and with most of which most people would probably agree seem to be the following:

(1) There is a real world independent of our knowing it.

(2) We are able to know truly something about this world.

(3) That the objects which we generally call individual things in this world are all really inter-connected and are in fact all systems of inter-connected things; so that we can never know all about anything.

(4) That all things (*i.e.*, so-called minds and so-called bodies) are in constant process of change and even qualitative change—they become other.

(5) That, as a consequence of (3) and (4) our beliefs about things advance, by thought and criticism and argument, from abstract and partly erroneous opinions to truer ones.

(6) That therefore human institutions, which depend partly on a changing environment and *partly on man's changing beliefs about the environment* often develop in a similar way. They become "other" as depending on other environment and also they tend to swing like a pendulum, as depending on the dialectic of thought, before they strike a temporary balance.

[8] Engels (*Anti-Dühring*) seems to agree: "Marx simply pointed to history, ... the process is a historical one, and if it is at the same time dialectic, Marx is not to blame. . . . It is mere supposition . . . that Marx wants to convince anyone of the necessity of the social ownership of land and capital upon the credit of the negation of the negation. . . . We need no philosophy." Cf. Hecker, *Moscow Dialogues*.

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(7) That our minds, which thus come to know and to react on reality are a part of it; and that history or science seems to trace their development in or from a reality which did not know either reality or itself.

(8) That historians of political institutions have vastly under-estimated the influence of the relations between men's need of physical well-being and the possibilities of satisfying it. (These possibilities depending partly on physical nature and partly on men's understanding and control of it.)

(9) That this relation between desires and possible satisfactions, like everything else, constantly changes. And we are apt to mistake a social organisation necessary or expedient in a past relation for one permanently necessary or expedient: whereas, in fact, it may have ceased to be necessary (except as a result of this error) and may have become pernicious. And in all this men are specially misled by real or supposed interests.

(10) That therefore men's beliefs about social organisation, instead of being caused by the social facts they are considering, and therefore being true, are often false, being caused by other facts such as laziness, stupidity, habit, greediness) which they are not thinking about, and whose influence upon them may be described as contrary to the true nature or dialectic of mind.

(11) That, this being so, the factor most likely to correct these errors and, by adjusting men's beliefs to the relevant facts, to bring about the just, or expedient or so-called necessary (*i.e.*, only conceivably successful) solution, is not so much rational argument about justice or expediency as, rather, the fact that now for the first time, a system which is just and expedient has become possible, and is becoming recognised as desirable for themselves by the largest and most powerful class in the community.

I do not know how far these 11 points will satisfy orthodox Marxists. They might wish to go beyond them on some points where I could sympathise but should hesitate, and on others where I should decidedly differ.

Two points of the first kind are as follows:

(12) If following self-interest or, as it is rather sentimentally called, class-interest, does in fact lead to a just state of affairs or to general well-being better than reasoning about general well-being or trying to behave justly does, we might find ourselves in agreement with the view we are combating, that of *laissez-faire*, according to which there is an immanent teleology in things whereby the selfishness of men turns to the welfare of all. (Cf. Bukharin.) There's a divinity that shapes our ends.

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(13) Such teleology, if inconsistent with materialism and extremely difficult to understand, seems precisely what is required by dialectic. Matter is such as to reach its " highest " development in spirit. Its development is guided by the whole implicit in it (since all things are inter-related) and it can certainly not be understood without reference to its highest development. Moreover, it is in our own minds that we have the clearest instances of dialectical development or growth, by analogy with which we must consider organic and (dialectic urges) even inorganic changes. Whenever we solve a problem or produce a work of art we say we have " attained our end," but we did not know before what that was going to be. The " end " was implicitly or dialectically or germinally present as a " purpose."[9] Dialectical Materialism looks like vitalism applied to physics and to society as well as to life. Engels' quarrel with vitalism seems to be that it regards the vital power as something breathed into the mechanical forces from outside. But he asserts that the mechanics and chemistry of life are not mere mechanics and chemistry. And so, apparently, the wills of a class are not mere wills but a Real Will. It is then the ancient problem of development or of δυνάμεις which dialectical materialism, like many other philosophies, proposes to solve. It applies a vitalist method outside biology. But this solution is not satisfactory. And if Marxists could achieve, as of course they cannot, that there should be no Communists who did not believe this solution as it stands (intelligently believe, of course), they might as well tie a millstone round the neck of Communism and throw it overboard. Nor do I see any reason why anybody who accepted the solution should accept Communism.

I am at present compelled to differ from dialectical materialists if they maintain: (1) that dialectic escapes the sceptical consequences of materialism without implying some kind of " immanent teleology "; (2) that there is any inconsistency in being a Communist without being a dialectical materialist or a dialectical materialist without being a Communist. The problem is to understand how something (*e.g.*, life, consciousness, knowledge) comes to be out of what was *not* life or consciousness or knowledge). And the temptation is to rest satisfied with a couple of words each of which states one side of the apparent contradiction, and to suppose that we have thus solved it. *Matter* is what is not conscious nor even organic, *dialectical* is what behaves as organised (and especially as conscious) beings do. The two words are really thesis and antithesis requiring a higher synthesis than mere juxtaposition.

[9] It is noteworthy how Dialectical Materialists tell us both that our scientific thinking should abandon teleology and that it is unconsciously guided by practical aims. See Bukharin: *Theory and Practice.*

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MARX AND ENGELS ON INDIA—I.

[*With this issue the* LABOUR MONTHLY *begins the publication of a symposium of Marx' and Engels' views on the economic, social and political condition of India before and after the British occupation. Although drawn from sources most of which are accessible to the British reader, the excerpts thus brought together reveal the extent to which the investigations of the founders of scientific socialism penetrated to the bases of Imperialist exploitation of colonial countries. The tremendous and thorough-going analysis to which both Marx and Engels subjected all phases of the development of economy from its earliest forms, and not merely its late capitalist phase, and even more their genius for correlating economic and social phenomena drawn from very diverse and unconnected sources are finely revealed in the excerpts. At a time when Imperialism was only in its nascent stage, when capitalist economists themselves had only the haziest and most conflicting notions as to the economic laws governing the methods adopted by imperialist countries to extract surplus value from subject colonial races, Marx and Engels glaringly disclosed the forces governing the relations between the capitalist exploiting and the colonial exploited countries, with biting sarcasm ridiculing the efforts of the economist apologists for capitalism and pointing out the fatuity of their pseudo-economic figleaves as a respectable covering for its loathsome nakedness. The first group, printed below, deals with the nature and development of primitive communal economy in general and that of India in particular. Later excerpts will deal with ground rent in its various phases of development, the break-up of primitive economy through the forceful irruption of capitalism, the methods adopted by that capitalism to drain the economy of the colonial countries so retarding their economic development, and the problems arising out of the balance of trade and rates of exchange between England and India.*]

The Basis, Development, and Disintegration of Indian Communal Economy

TO be sure, aside from monogamy, oriental polygamy and Indo-Tibetan polyandry were known; but these three forms could not be arranged in any historical order and stood side by side without any connection. That some nations of ancient history and some savage tribes of the present day did not trace their descent to the father but to the mother, hence considered the female lineage as alone valid; that many nations of our time prohibit inter-marrying inside of certain large groups, the extent of which was not yet ascertained and that this

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custom is found in all parts of the globe—these facts were known, indeed, and more examples were continually collected. But nobody knew how to make use of them. Even in E. B. Taylor's " Researches into the Early History of Mankind," &c. (1865), they are only mentioned as " queer customs " together with the usage of some savage tribes to prohibit the touching of burning wood with iron tools, and similar religious absurdities. (Engels, *The Origin of the Family*, p. 13.)

Therefore, it is a troublesome and not always profitable task to work your way through the big volume of Bachofen.[1] Still, all this does not curtail the value of his fundamental work. He was the first to replace the assumption of an unknown primeval condition of licentious sexual intercourse by the demonstration that ancient classical literature points out a multitude of traces proving the actual existence among Greeks and Asiatics of other sexual relations before monogamy. These relations not only permitted a man to have intercourse with several women, but also left a woman free to have sexual intercourse with several men without violating good morals. This custom did not disappear without leaving as a survival the form of a general surrender for a limited time by which women had to purchase the right of monogamy. Hence descent could originally only be traced by the female line, from mother to mother. The sole legality of the female line was preserved far into the time of monogamy with assured, or at least acknowledged, paternity. Consequently, the original position of the mothers as the sole absolutely certain parents of their children secured for them and for all other women a higher social level than they have ever enjoyed since. Although Bachofen biased by his mystic conceptions, did not formulate these propositions so clearly, still he proved their correctness. This was equivalent to a complete revolution in 1861. (Engels, *The Origin of the Family*, p. 16.)

Morgan,[2] who spent the greater part of his life among the Iroquois in the State of New York and who had been adopted into one of their tribes, the Senecas, found among them a system of relationship that was in contradiction with their actual family relations. Among them existed what Morgan terms the syndasmian or pairing family, a monogamous state easily dissolved by either side. The offspring of such a couple was identified and acknowledged by all the world. There could be no doubt to whom to apply the terms father, mother, son, daughter, brother, sister. But the actual use of these words was not in keeping with their fundamental meaning. For the Iroquois addresses as sons and daughters not only his own children, but also those of his brothers ; and he is called father by all of them. But the children of his sisters he calls nephews and nieces, and they call him uncle. Vice-versa, an Iroquois woman calls

[1]Bachofen, John Jacob. *Das Mutterrecht*, 1861.

[2]Morgan, Lewis H. (1818-1881.) *Ancient Society*, 1877.

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her own children as well as those of her sisters sons and daughters and is addressed as mother by them. But the children of her brothers are called nephews and nieces, and they call her aunt. In the same way, the children of brothers call one another brothers and sisters, and so do the children of sisters. But the children of a sister call those of her brother cousins, and vice versa. And these are not simply meaningless terms, but expressions of actually existing conceptions of proximity and remoteness, equality or inequality of consanguinity.

These conceptions serve as the fundament of a perfectly elaborated system of relationship, capable of expressing several hundred different relations of a single individual. More still, this system is not only fully accepted by all American Indians—no exception has been found so far—but it is also in use with hardly any modifications among the original inhabitants of India, among the Dravidian tribes of the Deccan and the Gaura tribes of Hindustan.

The terms of relationship used by the Tamils of Southern India and by the Seneca-Iroquois of New York State are to this day identical for more than two hundred different family relations. And among these East Indian tribes also, as among all American Indians, the relations arising out of the prevailing form of the family are not in keeping with the system of kinship. (Engels, *The Origin of the Family*, p. 35 *et seq.*)

What does the term "unrestricted sexual intercourse" mean? Simply, that the restrictions in force now were not observed formerly..... If anything is certain, it is that jealousy is developed at a comparatively late stage. The same is true of incest. Not only brother and sister were originally man and wife, but also the sexual intercourse between parents and children is permitted to this day among many nations. Bancroft[3] testifies to the truth of this among the Kaviats of the Behring Strait, the Kadiaks of Alaska, the Tinnehs in the interior of British North America; Letourneau[4] compiled reports of the same fact in regard to the Chippeway Indians, the Cooccos in Chile, the Carribeans, the Carens in Indo-China, not to mention the tales of ancient Greeks and Romans about the Parthians, Persians, Scythians, Huns and so forth. (Engels, *The Origin of the Family*, p. 43.)

This or a similar form of group marriage also furnishes the easiest explanation of the reports of Herodotus and other ancient writers concerning community of women among savage and barbarian nations. This is true, furthermore, of Watson's and Kaye's[5] tale about the Tikurs of Audh (north of the Ganges): "They live together (*i.e.*, sexually) almost

[3]Bancroft, H. H. (1832-1918). *Native Races of the Pacific States*, 1874-76, &c.

[4]Letourneau, Charles Jean Marie. *L'Evolution du Mariage et de la Famille*, 1888.

[5]Taylor, Colonel Philip Meadows (1808-1876). *The People of India: Edited by J. T. Watson and J. W. Kaye, 6 vols., 1868-72.*

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indiscriminately in large communities, and though two persons may be considered as being married, still the tie is only nominal." (Engels, *The Origin of the Family*, p. 49.)

Indeed, the polygamy of one man was evidently the product of slavery, confined to certain exceptional positions. In the Semitic patriarchal family, only the patriarch himself, or at best a few of his sons, practice polygamy, the others must be satisfied with one wife. This is the case to-day in the whole Orient. Polygamy is a privilege of the wealthy and distinguished, and is mainly realised by purchase of female slaves. The mass of the people live in monogamy. Polandry in India and Tibet is likewise an exception. Its surely not uninteresting origin from group marriage requires still closer investigation. In its practice it seems, by the way, much more tolerant than the jealous Harem establishment of the Mohammedans. At least among the Nairs of India, three, four or more men have indeed one woman in common; but every one of them may have a second woman in common with three or more other men; and in the same way a third, fourth, &c. It is strange that McLennan[6] did not discover the new class of " club marriage " in these marital clubs, in several of which one may be a member which he himself describes. This marriage club business is, however, by no means actual polyandry. It is on the contrary, as Giraud-Teulon[7] already remarks, a specialised form of group marriage. The men live in polygamy, the women in polyandry. (Engels, *The Origin of the Family*, p. 74.)

Among certain nations it sometimes happens that the older men, the chief and sorcerer-priests, exploit the community of women for their own benefit and monopolise all the women. But in their turn they must restore the old community during certain festivities and great assemblies, permitting their wives to enjoy themselves with the young men. A whole series of examples of such periodical saturnalia restoring for a short time the ancient sexual freedom is quoted by Westermarck[8] (" The History of Human Marriage," p. 28-29), among the Hos, the Santals, the Punjas and Kotars in India, among some African nations, &c. Curiously enough Westermarck concludes that this is a survival, not of group marriage, the existence of which he denies, but—of a rutting season which primitive man had in common with other animals. (Engels, *The Origin of the Family*, p. 62.)

In India, the household community with collective agriculture is already mentioned by Nearchus at the time of Alexander the Great, and it exists to this day in the same region, in the Punjab and the whole

[6]McLennan, J. F. (1827-1881). *Studies in Ancient History*, 1886. *Primitive Marriage.*

[7]Giraud-Teulon, Felix. *Les Origines de la Famille*, 1874.

[8]Westermarck, Edward Alexander (1862-). *History of Human Marriage.* 1st ed., 1891.

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North-West of the country. In the Caucasus it was located by Kovalevski[9] himself.

In Algeria it is still found among the Kabyles. Even in America it is said to have existed. It is supposed to be identified with the " Calpullis " described by Zurita in ancient Mexico. In Peru, however, Cunow (Ausland, 1890, No. 42-44) has demonstrated rather clearly that at the time of the conquest a sort of a constitution in marks (called curiously enough marca), with a periodical allotment of arable soil, and consequently individual tillage, was in existence. (Engels, *The Origin of the Family*, p. 73.)

If, in a society with capitalist production, anarchy in the social division of labour and despotism in that of the workshop are mutual conditions the one of the other, we find, on the contrary, in those earlier forms of society in which the separation of trades has been spontaneously developed, then crystallised, and finally made permanent by law, on the one hand, a specimen of the organisation of the labour of society, in accordance with an approved and authoritative plan, and on the other, the entire exclusion of division of labour in the workshop, or at all events a mere dwarf-like or sporadic and accidental development of the same.

These small and extremely ancient Indian communities, some of which have continued down to this day, are based on possession in common of the land, on the blending of agriculture and handicrafts, and on an unalterable division of labour, which serves, whenever a new community is started, as a plan and scheme ready cut and dried. Occupying areas of from 100 up to several thousand acres, each forms a compact whole producing all it requires. The chief part of the products is destined for direct use by the community itself, and does not take the form of a commodity. Hence, production here is independent of that division of labour brought about, in Indian society as a whole, by means of the exchange of commodities. It is the surplus alone, that becomes a commodity, and a portion of even that, not until it has reached the hands of the State, into whose hands from time immemorial a certain quantity of these products has found its way in the shape of rent in kind. The constitution of these communities varies in different parts of India. In those of the simplest form, the land is tilled in common, and the produce divided among the members. At the same time, spinning and weaving are carried on in each family as subsidiary industries. Side by side with the masses thus occupied with one and the same work, we find the " chief inhabitant," who is judge, police and tax-gatherer in one ; the bookkeeper who keeps the accounts of the tillage and registers everything relating thereto ; another official, who prosecutes criminals, protects strangers travelling through, and escorts them to the next village ; the boundary man, who guards the

[9]Kovalevski, Makim Makimovitch (1851-1916).

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boundaries against neighbouring communities, the water-overseer, who distributes the water from the common tanks for irrigation ; the Brahmin who conducts the religious services ; the schoolmaster, who on the sand teaches the children reading and writing ; the calendar-Brahmin, or astrologer, who makes known the lucky or unlucky days for seedtime and harvest, and for every other kind of agricultural work ; a smith and a carpenter, who make and repair all the agricultural implements ; the potter, who makes all the pottery of the village ; the barber, the washerman, who washes clothes, the silver-smith, here and there the poet, who in some communities replaces the silversmith, in others the schoolmaster. This dozen of individuals is maintained at the expense of the whole community. If the population increases, a new community is founded, on the pattern of the old one, on unoccupied land. The whole mechanism discloses a systematic division of labour ; but a division like that in manufactures is impossible, since the smith and the carpenter, &c., find an unchanging market, and at the most there occur, according to the sizes of the villages, two or three of each, instead of one. The law that regulates the division of labour in the community acts with the irresistible authority of a law of Nature, at the same time that each individual artificer, the smith, the carpenter, and so on, conducts in his workshop all the operations of his handicraft in the traditional way, but independently, and without recognising any authority over him. The simplicity of the organisation for production in these self-sufficing communities that constantly reproduce themselves in the same form, and when accidentally destroyed, spring up again on the spot and with the same name—this simplicity supplies the key to the secret of the unchangeableness of Asiatic societies, an unchangeableness in such striking contrast with the constant dissolution and refounding of Asiatic States, and the never-ceasing changes of dynasty. The structure of the economic elements of society remains untouched by the storm-clouds of the political sky. (*Capital : A Critique of Political Economy*, by Karl Marx, vol. I., p. 391 *et seq.*)

In many industries, there are critical periods, determined by the nature of the process, during which certain definite results must be obtained. For instance, if a flock of sheep has to be shorn, or a field of wheat to be cut and harvested, the quantity and quality of the product depends on the work being begun and ended within a certain time. In these cases, the time that ought to be taken by the process is prescribed, just as it is in herring fishing. A single person cannot carve a working day of more than, say 12 hours, out of the natural day, but 100 men co-operating extend the working day to 1,200 hours. The shortness of the time allowed for the work is compensated for by the large mass of labour thrown upon the field of production at the decisive moment.

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The completion of the task within the proper time depends on the simultaneous application of numerous combined working days; the amount of useful effect depends on the number of labourers; this number, however, is always smaller than the number of isolated labourers required to do the same amount of work in the same period. It is owing to the absence of this kind of co-operation that, in the western part of the United States, quantities of corn, and in some parts of East India where English rule has destroyed the old communities, quantities of cotton, are yearly wasted. (*Capital: A Critique of Political Economy*, by Karl Marx, vol. I., p. 359.)

A ridiculous presumption has gained currency of late to the effect that common property in its primitive form is specifically a Slavonian, or even exclusively Russian, form. It is the primitive form which we can prove to have existed among Romans, Teutons, and Celts; and of which numerous examples are still to be found in India, though in a partly ruined state. A closer study of the Asiatic, especially of Indian, forms of communal ownership would show how from the different forms of primitive communism different forms of its dissolution have been developed. Thus, *e.g.*, the various original types of Roman and Teuton private property can be traced back to various forms of Indian communism. (Karl Marx, *Critique of Political Economy*, p. 29.)

Co-operation, such as we find it at the dawn of human development, among races who live by the chase, or say, in the agriculture of Indian communities, is based, on the one hand, on ownership in common of the means of production, and on the other hand, on the fact, that in those cases, each individual has no more torn himself off from the navel-string of his tribe or community, than each bee has freed itself from connexion with the hive. Such co-operation is distinguished from capitalistic co-operation by both of the above characteristics. The sporadic application of co-operation on a large scale in ancient times, in the middle ages, and in modern colonies, reposes on relations of dominion and servitude, principally on slavery. (*Capital: A Critique of Political Economy*, by Karl Marx, vol. I., p. 366.)

When men originally sprang from the lower animals they came into history, still half-wild animals, elementary, with no power over the forces of nature, still unacquainted with their own powers, as poor as the animals and hardly more productive than they. There prevailed a certain equality in the conditions of life and as far as the heads of families were concerned an equality of social condition—there was at least an absence of those class distinctions which developed later in the agricultural communities. In such a social state there were certain common interests which overrode the interests of the individual in certain respects, the settlement of disputes, the repression of individuals who exceeded their rights, the looking

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after the water supply, particularly in hot countries, and finally under the conditions of life in the primeval forests, religious functions. We find analogous communal duties exercised by communal officials at all periods as well in the oldest German mark communities as in India to-day. These are contemporaneous with a sort of beginning of authority and state power in a rudimentary form. (Engels, *Landmarks of Scientific Socialism* (*Anti-Dühring*), p. 206.)

In the middle ages we find bookkeeping for agriculture only in the convents. But we have seen in vol. I, that a bookkeeper was installed for agriculture as early as the primitive Indian communes. Bookkeeping is then made an independent function of a communal officer. This division of labour saves time, pains and expenses, but production and bookkeeping for production remain as much two different things as a cargo of a ship and the way-bill. In the person of the bookkeeper, a part of the labour power of the commune is withdrawn from production, and the cost of his function is not reproduced by his own labour, but by a deduction from the communal product. What is true of the bookeeper of an Indian commune, is true under changed circumstances of the bookkeeper of the capitalists. (*Capital : A Critique of Political Economy*, Marx, vol. 2, p. 152.)

(*To be Continued*)

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